

Small Business Trends Website Names Top Franchise Trends For 2008!

Anita Campbell's award winning website, *Small Business Trends*, just released it's list of franchise trends to watch for...

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Editor's Note: Joel Libava, our resident franchise expert, gives us an insightful rundown of the big trends in the world of franchises. If you have ever thought of buying a franchise — or turning your business into a franchise for others to buy into — this is one article you will want to read again and again.



By Joel Libava

The year 2008 will be “Frantastic” for the franchise industry, which is an industry that typically does well when little things such as our economy, slow down.

The number of people inquiring about franchise ownership will increase dramatically in 2008, as the US economy continues to show signs of weakening. Case in point:

When the economy slumped after 9/11, millions of workers were downsized, and it became difficult for many of them to find decent replacement jobs. A sizable number of them (after a period of intense self-reflection, and some unpleasant spousal vibes) started looking into career alternatives. Investing in a franchise was one such alternative, and one that many people decided to do.

Fast forward a tad, and look at the current situation. The mortgage crisis, and increasing consumer debt, combined with the euphoric feeling that all of us will be experiencing when pumping \$3.50 a gallon gasoline into our vehicles, are all contributing to a cautious economic growth forecast.

Although 2008 won't be as severe in terms of job losses, the job market continues to tighten, which will again lead to more people looking into alternative career options.

According to a PricewaterhouseCoopers study from 2005, over \$1.53 trillion in total economic comes from franchised businesses annually. (\$Trillion!) Franchising is big business, and there is no shortage of opportunities to choose from.

Here, I have identified some general franchising trends to look for in 2008:

1. Semi-Absentee Ownership

For those of you that want to make a huge income, and only work 10 hours a week, this option is certainly enticing. Kidding. No such thing. (No such legitimate thing, anyway)

More and more people are opting to purchase franchises that will allow them to keep their jobs, while ramping their new businesses up. This proactive approach is increasingly popular, because these new small business owners can keep their present salaries coming in during that first critical year in business in which income could be negligible. A few of the franchise opportunities that offer the semi-absentee owner model are Great Clips, Fantastic Sam's and Hollywood Tans.

2. Low Investment Opportunities

For those of you who can go out and market, there are some interesting options that could work for you. But before I name some specific concepts, let's examine the phrase in italics, above. What does “go out and market” really mean? It means sell! Some of these low investment franchises are home based. You probably won't be home much though. You will be out marketing, I mean ... selling.

The direct mail industry is not shrinking as one would imagine (because of email marketing etc.). Consumers still open packets of coupons, and use them. Money Mailer is a well established franchise that has been successful in direct mail for years. Adventures In Advertising is a low investment franchise opportunity specializing in advertising and promotional products that you sell to the small and home based business market.

3. Women Focused Franchises

Over 7 million small businesses in the US are majority owned by women! Women and franchising can be a great combo

Some of the more interesting concepts that could appeal to future women small business owners include The Glove Lady, whose catchphrase is “How's Your Glove Life?” Showhomes is a franchise concept that let's you use your management and design abilities to showcase vacant homes for maximum appeal. Would you like to help future brides and their families make their wedding day memorable?

Sweet Beginnings lets you, the franchise owner, generate income by planning the big day, from beginning to end!

Next, here are some specific franchise categories that will continue to trend upward in 2008

1. Residential Cleaning Services

The dual income couple with kids, pets, limited time, and disposable income, will continue to seek out service providers that can provide time saving relief to their rather harried lives. It has been said that once one obtains the services of a competent residential cleaning concern, one finds it extremely hard to go without it! Some of the bigger franchise names in residential cleaning like Molly Maid, Merry Maids, The Maids, and Maid Brigade will continue to add new franchise owners, as demand continues to increase.

2. Child Related Services

Franchise concepts that help keep children in shape, both mentally, and physically, will continue to trend upward in 2008. Look for veteran children's education providers like Sylvan and Huntington Learning Centers to add more franchise units around the country, while young upstart children's educational franchises like Chyten and Children's Lighthouse will offer some new approaches to educating kids. Day care is still a huge need in the US, and the Kiddie Academy, in business since 1981, provides day care and learning.

High energy, and bouncy birthday party franchise venues such as Pump It Up, will continue to provide entertainment to kids of all ages, while franchises like JW Tumbles will get the little ones tuned up and flexible, for their future endeavors in sports, and hopefully set them up for sports scholarships for college!

Cups made of cornstarch by Fabri-Kal3. Green Food Franchises

This is not a fad. Franchised restaurant chains are really becoming Eco-friendly operations. Nowadays, going "green" means so much more than purchasing free range chicken, and using only organic vegetables in the restaurant's offerings. Boloco, a Boston based burrito franchise, is eliminating all the Styrofoam cups from its restaurants, and opting for cups made from ... corn starch. Repeat. Corn starch.

Pizza Fusion is "Saving the Earth One Pizza At a Time." One look at the company website, with its whirling windmills and a silhouette of an obvious Toyota hybrid automobile gives this company's philosophy away. This pizza franchise features organic ingredients, and Hybrid pizza delivery vehicles. (Really!) More and more franchised restaurant chains will be ramping up their "green" initiatives, which will benefit all. Are you feeling green yet?

4. Technology Related Franchises

It is just not an option anymore to be in business and not have a company website. Whether you own a small manufacturing company, a local flower shop, or a home based business, you need a professional looking website. True Presence, a franchise out of Baltimore, provides products and services to help businesses establish themselves on the Web, from Web design to search marketing. They can also help develop email campaigns to help businesses stay in touch with their customer base.

After a small business has a presence on the Internet, franchises like Concerto Networks and TeamLogic IT, can help keep things humming along smoothly, offering tech help both on and off site.

Another area of technology that is starting to gain steam in the franchise industry is the video security area. Businesses are starting to realize just how important security and surveillance are. Employee theft can be curtailed with cameras mounted, and on the lookout for thievery. (Big Brother Is Watching) Even small small businesses will start mounting cameras at a location near you in 2008.

With its black and red "wrapped" Honda Elements cruising around town, EyesThere franchise owners will be hard to miss cruising around your town offering to design, build, and install video security systems for your business or home. Monitor Closely is another young franchise company hoping to capture some market share in this rapidly growing, and seemingly much needed, niche.

5. Staffing Franchises

As the demographic change continues in America (i.e., folks getting older), there will be a need for temporary workers to help replace some of the baby boomers who are retiring now. Also, some boomers still wish to work part time, and unfortunately some even have to.

Enter Express Personnel, a 550+ unit franchise operator out of Oklahoma. Their local franchisees can assist with everything from employee evaluations to temporary placement of workers. 10 til 2 provides part time staffing to companies that are open to ... well ... part timers. Their website promotes the idea that there is a need for job placement of college educated parents that want to have extreme flexibility, and that there are actually employers out there that support a work/home life balance, and want to hire quality people that only want to work part time. Nice.

6. Senior Care

No weakening in this segment of franchising. There will continue to be a huge need for all types of services that active seniors want and need. As millions of baby boomers retire in the next several years, now is the time to enter this market, so you can learn it well, and ramp it up for the growth that will be continuing.

Non medical care is needed, and Spectrum Home Services provides 5 different services that assist the elderly. (Hence the name: Spectrum!) Are you a senior who wants to help other seniors? Maybe Seniors Helping Seniors, a small franchise out of Pennsylvania is worth a look. You can provide non-medical assistance to your peers, who may be more open to you helping them run errands, and keep you company.

Franchises like BrightStar Healthcare provide everything nursing homes do, without having to actually go to a nursing home. Put another way, why would anyone want to go to a nursing home if they didn't have to?

What if Grandma and Grandpa want to stretch their legs and maybe even pamper themselves a little? SarahCare is an adult day care center franchise that may have a mini day spa, concierge services, and a putting green.

If 2008 turns out to be the year for you to invest in a franchise of your own, try to align with ones that are within your investment budget, can use your skill sets, and that match your values.

Some things to avoid:

1. Fads. Just because "everyone" is talking about a specific franchise or segment, doesn't mean it is sustainable in the long run.
2. Franchise concepts that are hard to understand. If you can't figure out the business model, do you think others will? Sometimes simple is best.
3. Inexpensive franchise concepts. When was the last time cheap was better? Don't buy an inexpensive franchise (under \$40k total investment) unless you can find out from lots of current franchisees that the training and support are stellar. It takes lots of money for a business to franchise its concept, and lots of dedication to nurture and grow it.
4. Franchises that are growing real fast. As contrarian as this may sound, a franchise company that is growing at the speed of sound (the sound of dollars exchanging hands) may be great for publicity, and great for the franchisor, but it could leave new franchisees in the dust. As a franchisor grows, the infrastructure must grow along with it. It takes a lot of courage for a rapidly growing franchise concept to suspend new franchise sales for a few months, while it adds staff, office space, and technology to keep up with it's growth.

As a matter of fact, that may be a franchise concept to watch, and eventually even join in 2008.

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About the Author: Joel Libava is President and Life Changer of Franchise Selection Specialists. He blogs at The Franchise King Blog.

About Franchise Selection Specialists Inc.

We are a Franchise Consulting and Marketing firm. We own several blogs, and a website or two.

Our main focus is on helping others learn about opportunities in small business/franchise ownership options, and providing strategic matchmaking and coaching services to them. {FREE SERVICE}

We are a guest columnist on the award winning site-Small Business Trends, as well as the expert in residence there. We are also a member of Jim Blasingame's "Brain Trust", and have several radio interviews with Jim archived on his site-www.smallbusinessadvocate.com, under franchising. Jim is considered one of the top 25 small business experts in the world.

We are known as Cleveland, Ohio's franchise gurus, and involve ourselves in everything franchise. In addition, we help young franchise companies with innovative Web 2.0 marketing projects with our strategic partners.

If you are thinking about franchising your business, we are partnered with the best of the best, and they will help you do things right.