

PODER^{360°} HOME

FRANCHISING: Top 25 Franchises for Hispanics

By Rob Bond And C. Everett Wallace

Few would disagree that franchising has historically been an exceptionally successful model for gaining wealth and security. Even though there are attendant costs, following someone else's time-proven system can be infinitely better for most people than starting a business from scratch.

Although there are no firm statistics on the percentage of franchised outlets currently owned by Hispanics, the National Minority Franchising Initiative (NMFI) estimates it is no more than 6 percent. Considering that Hispanics comprise approximately 15 percent of the population, this is an unacceptable imbalance—and one that progressive and business-oriented franchisors are trying to change.

While some franchisors may seek to correct this imbalance out of a sense of fairness, a growing number also see tangible economic benefit to increasing their percentage of Hispanic-owned outlets.

By some estimates, the spending power of Hispanics is nearing \$1 trillion. Accordingly, it is in the best interests of franchisors as well as Hispanics, as a group, to ensure that they capture their share of that money through businesses within their own communities. Franchising can provide that opportunity.

Given that there are over 3,000 active North American franchisors trying to recruit franchisees, it can be overwhelming to select the franchise system that best fits an individual's strengths and weaknesses. Some franchisors represent strong brands. Others are terrible, both in terms of their underlying system and their support of franchisees.

How do you find the gems amongst the rubble? A logical starting point is to consider franchisors that aggressively court Latinos, as well as those that support them once they become part of the system.

In an attempt to find out which franchisors are interested in recruiting Hispanics in particular, the NMFI recently surveyed franchisors. The questionnaire was designed to determine both the current number of Hispanic franchisees within the system and the proportion of Hispanic executives in the franchisor's senior management.

Based upon the results of the survey as well as knowledge of various franchise systems, NMFI selected 25 franchisors that represent excellent prospects. Several have modest costs of entry, some have products and/or services that are especially recession-proof, and some are simply strong, proven franchise systems that provide excellent ongoing support.

Keep in mind that this is most certainly not a definitive list, only a preliminary screen to get you started. There are numerous variables that must be seriously evaluated before committing to a franchise. These include historical performance, brand identification, market dynamics, franchisee satisfaction, the level of initial training and ongoing support, financial stability, and various other key areas that must be explored.

PostNet

[Industry Type] Shipping Services

[Total Units] 850

[Projected New Units—Next 12 Months] 100

[Cash Investment] \$50K

[Total Investment] \$174-\$196K

[Average Total Investment] 185

[Ongoing Royalty] 5%

[Employees Needed] 2 full-time, 1 part-time

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