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Krish Ramineni (*left*) and Sam Udotong's company, Fireflies.ai, can automate notetaking on your next conference call.
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YOUNG MILLIONAIRES

17 Founders Who Are Raising Millions, Selling Millions, and Redefining the Future of Business

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This is an especially important distinction today. The *what* and the *why* are two different things—and if you confuse the two, then you are not prepared for change. You will be disoriented and rocked, unable to envision a way forward. But if you see *what* and *why* as separate, then you become more adaptable. You become less afraid. You feel more in control.

That's very abstract, so let's talk specifics. We'll start big.

I have a general theory about why people fear change: It's because change makes familiar things look unrecognizable. In the 1950s, for example, people connected over bowling leagues and pasta dinners. This was their definition of community. Now that 1950s generation looks at young people today and they panic—because they see no bowling leagues and pasta dinners! Instead, they see WhatsApp groups and TikTok, and they assume that those tools can't possibly build meaningful connections. The older generation therefore believes that community is gone.

But here's what they're missing: Community is the *why,* and pasta dinners was just the *what.* Humans are social creatures, and we create community based on the tools and social structures available to us. Each generation's community will look different, but that doesn't mean each generation *loses* community. It's always there. We just need to accept that as change comes, the thing we're familiar with will take an unfamiliar shape.

Now zoom in to our own individual lives and work. We were familiar with a certain way of doing things. We served meals in restaurants, and we taught performing arts on a stage. We built a specific product for a specific purpose and marketed it to a specific customer. Then our world changed. Nobody was going into restaurants, nobody was going on a stage, and that customer we obsessed over just disappeared.

Those are scary changes. But they're mostly changes to our *what.*

So what's our *why*? It'll be different for everyone, but here's a general stab at an answer: A restaurant is about using food to make people feel good. A performing arts school is about fostering creativity. A company isn't the product it creates but the problems it solves. These are the things at our core. Everything else is just a direction we took.

I've been enthralled these past few months as I've seen companies refocus their *why* and then reinvent their *what.* It's taken so many forms. For example, the company Beantown Bedding makes compostable, disposable bedsheets for college students. Its cofounders were focused on their college-aged kids, who never wash their sheets. But when COVID-19 shut down schools, Beantown stopped thinking of itself as a product for students. It targeted hospitals, which need fast room turnovers. "Already, we've surpassed our strongest year to date," says cofounder and CEO Kirsten Lambert.

Here's another: The company Foodstirs spent years selling baking mixes but planned a transformative expansion in 2020—launching a nationwide line of packaged goods like brownie bites and doughnuts. When COVID-19 hit, baking mix sales spiked and bakery sales dropped...so Foodstirs shelved its plans and reengineered everything to produce eight times more mixes. I asked cofounder and CEO Greg Fleishman if he felt bummed to abandon what they'd worked so hard on, and he said no: "It goes back to why you start a business to begin with," he says. "Our mission is about upgrading sweet baked goods and bringing joy to people's lives. We're doing that now."

When Fleishman speaks of his company's mission, he's speaking about his *why.* It's unchanging. The *what* is mere habit, an idea that made sense until it didn't. The *what* flies away in the wind, while the *why* is drilled into the ground.

We all have these two things, and we need these two things, but we cannot confuse these two things. We aren't knocked down by something as flimsy as a what. We are the creators of infinite possibility. And it all starts by knowing what changes, and what never will.

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"Am I Doing Good or Doing Bad?"

Celebrated chef **David Chang** is asking himself the hardest question an entrepreneur can ask. The answers are driving him to make changes. **by JASON FEIFER**

It's hard for me to appreciate the good things that have happened," David Chang says. And there have been many. His Momofuku restaurant group made him one of New York City's most celebrated chefs and restaurateurs, he's the star of the Netflix series *Ugly Delicious,* he is a best-selling cookbook author, and more. This month, Chang releases a new book—a memoir called *Eat a Peach,* which chronicles his rise, as well as his struggles with mental health. Chang is open about his depression and self-doubt, and he now worries for the future of his business and his industry—but hopes that talking about these things sparks positive change in himself and others. "The thing I'm wrestling with is, ultimately, I know I've done good," he says, "but I think I've done a lot unintentional bad by getting to my goals." In this conversation, he talks about the power of difficult self-reflection.

Eat a Peach is a memoir, but you say in the opening that you think of it as "a textbook for what not to do when starting a business." Why focus on what _not_ to do?

I feel like the platitudes of being an entrepreneur are all about what you need to sacrifice, and what you need to do to get to your goal. When I look back on all that's happened, I found that no one was telling me if the sacrifice was worth it. What do you do after you get to your goal? And I think what I was trying to say is, "Be careful what you wish for." The idea of going full blast on something, sacrificing everything—is that sensible?

I'll tell you this, and really genuinely not as a cliché: I feel less confidence now in anything I know or have done. When I look back on it, even though I'm still relatively young, I ask, *Did I do more good in this world? Did I actually make a difference, or did I increase suffering?* That's a question I really ask myself.

And yet you've achieved basically everything that someone in your position could hope for.

That's what I'm trying to say. Whenever I'm in pursuit of me, that might be a temporary good feeling. But it almost inevitably ends in bad shit. I've talked a lot about my anger. I was a really bad boss—yelling, screaming. I wasn't prepared. I didn't know anything. I didn't learn to question the world. I didn't learn to question myself. And I'm looking back being like, *Man, I got there, but were there other ways?* I don't want to repeat the same mistakes twice. I want to make sure I find better avenues.

"Did I do good or bad?" is a hard question for anyone to ask. What do you think entrepreneurs should do if they ask themselves this and don't like the answer?

PHOTOGRAPH BY GETTY IMAGES/PIERRE-PHILIPPE MARCOU/STAFF

If you can't face that question, and the hardships that answer might result in, then you shouldn't go into business for yourself. I don't think you can go into business just to make money. Like, do I want to make money? Yes. But I feel like it's got to be done right. To me, that's the question: *Have I done it right?*

And you know, I'm at a place now where my [restaurant] industry is going to potentially disappear. There's a bigger percentage that Momofuku doesn't make it out than it does. And maybe it was supposed to end a long time ago. Like, my industry is broken. It's built on a horrible foundation. With coronavirus, there was opportunity to have solidarity to ask the hard questions—like, why do we want to go back to February 2020 if we have the opportunity to really assess what was working and what wasn't working?

What problems are you talking about here?
First of all, people need to get paid more. We need to be more equitable. We need more diversity. We have environmental issues.

I hate Chipotle with a white-hot heat, but I have to say that they changed the industry at large because they forced it to move to better husbandry of chicken. They moved the needle just a little bit. That's positive. So I have to extrapolate and be like, *OK, maybe we do this and it's so successful that it can change the industry*. Pay our employees at this level, provide benefits and a 401(k) package and healthcare and paid time off and sick leave—and all these things. The question is, are we operating better? Are people happier? Do people have a better work-life balance? Are we taking care of our vendors, farmers, customers, without increasing pain and suffering?

> I FEEL LESS CONFIDENCE NOW IN ANYTHING I KNOW OR HAVE DONE. WHEN I LOOK BACK ON IT, EVEN THOUGH I'M STILL RELATIVELY YOUNG, I ASK, *DID I DO MORE GOOD IN THIS WORLD? DID I ACTUALLY MAKE A DIFFERENCE?*"

Is that how change happens, you think?
Chipotle made a change in how chickens are raised, and they changed it because of their profitability, growth, and success. So for me, I've always looked at it as: How do you take a company that can be wildly profitable and effect change through that success? It's one of the reasons why we tried so much shit. We tried to do media. We were the first ghost kitchen before *ghost kitchen* was even a term; I believe in it so much that I did it twice, partly because I saw the rent and I saw the labor issues, and it was like, if we can create a model that works, I believe it would be able to let people work less and put more money in their pocket. We tried a variety of restaurant concepts. We started an equipment company. Because if any one of those things hit, the dream would really be *Oh my God; it's making so much money that we can now operate our restaurants, maybe at a loss.*

You beat yourself up a lot—it's a theme running through your book. You describe learning that you earned two Michelin stars and being filled with dread. There's only so much that someone can control their feelings, but is there a strategy you aspire to, to feel better?
I can convince myself that I'm being selfless in my goals, when in actuality they're totally selfish. So many entrepreneurs can convince themselves of anything, which is why I feel like we see a lot of entrepreneurs become wildly successful, make a ton of money, and *then* that's the point where they're like, "Now I can give back." And I'm like, maybe that's not the point. Maybe you should do that simultaneously with your job.

PHOTOGRAPH BY GETTY IMAGES/RACHEL MURRAY/STRINGER

Building a Bond

Now more than ever, you can't just deliver a good product. You need to improve consumers' lives. We asked six entrepreneurs: How do you strengthen your relationship with customers?

1/ Provide expertise.

"We have a mission to help people through guidance, which goes beyond just product. With [our cookware brand] Equal Parts, we offer a texting service that allows customers to have a conversation with a professional cook. Customers can ask for a fresh grocery list, recipe recommendations, or even how to make simple scrambled eggs. This type of interaction creates a deeper relationship, and the customer feels like they're gaining value beyond a tangible product."

—NICK LING, CEO, Pattern Brands

2/ Create incentives.

"We have an ambassador program, where we provide our most loyal customers with a platform to create content that is shared on our social media channels. It transforms them from customers to brand advocates. We are strong believers in the power of community and use our channels as a two-way street for communication between us and our consumers."

—PARISA FOWLES-PAZDRO, founder and CEO, Max-Bone

3/ Empower them.

"The philosophy of 'fewer, better things' is at the heart of everything we do—so we create content and services that match. In 2013, for example, we launched our Lean Closet program: Customers can donate old clothing or accessories to benefit our philanthropic partner, H.E.A.R.T. This way, our customers can live in a 'fewer, better' way while empowering women in need."

—SHILPA SHAH, cofounder, Cuyana

4/ Entertain them.

"In addition to my own D2C clothing line, Thakoon, I recently launched a magazine and media platform called HommeGirls, with an aim to highlight menswear style for women. It's a passion project rooted in editorial, my first fashion background. It allows me to be creative and thought-provoking, and create outside of just fashion design. It lets my fans—both from the Thakoon line and the mag—see more of what I'm about, more of what I can offer."

—THAKOON PANICHGUL, founder and chief creative officer, Thakoon

5/ Offer access.

"Instagram is an interactive space for our experts to share guidance on practices and products to support at-home skin-care remedies. We see high engagement on our stories, where our most seasoned and skilled experts and trainers field our followers' questions. We're also piloting some other digital services that will allow clients to connect with our team of experts, one-on-one."

—MICHAEL POLLAK, cofounder and chief experience officer, Heyday

6/ Speak up.

"If you can stay top of mind when your customers aren't necessarily looking for [you], you'll be the first person they call when it's time to make a purchase or do a deal. For me, starting a podcast has provided this opportunity and given me a large platform to speak about what we're building. It's even resulted in existing clients looking to get involved from a sponsorship perspective."

—MATT HILLMAN, cofounder and partner, Cut + Sew

Illustration / PETE RYAN

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Can Email Be Better?

Email is useful but often unmanageable, which is why a new slate of apps are offering to help. We test the buzziest of them: Superhuman. **by JOHN BRANDON**

Andrew Wyatt receives 300 to 400 emails *per day*. Some are from investors and partners of CALA, the digital fashion branding platform he cofounded. Others are from potential customers. He doesn't want to miss important notes but can't spend all day searching for them. "I tried every Gmail hack trying to get to inbox zero," he says. "No matter what, it was a big mess."

That's why Wyatt was willing to spend a whopping $30 per month on a solution: It's called Superhuman, a new and much-hyped email app that has raised $33 million in funding. And it's not alone; Superhuman is joined by a crop of new email apps, all vying to be the go-to solution for entrepreneurs with untamed inboxes.

"These new email apps tend to allow for a better blend of capabilities, like social network integration, and can improve individual workflow," says technology analyst Rob Enderle. "Not all of these are ideal for all people, but this trend suggests you can likely find one better for you."

Superhuman makes for an interesting case study. At $30 a month, it's like buying a Lamborghini when you can get a Toyota Corolla (called Gmail) for free. But it's made for people who have a problem worth paying to solve. Artificial intelligence highlights the most important emails; messages from different kinds of people (investors, customers, friends) are routed to "split inboxes"; keyboard shortcuts process messages at lightning speeds; a "Snippets" feature enables users to send elaborate canned messages; and there's more.

"Entrepreneurs are in a very unique position: The rate at which we respond to email sets the bar for our entire organization. The faster you go, the faster everybody will go," says Rahul Vohra, Superhuman's founder. He wants the app to improve entrepreneurs' "flow state"—helping them focus on emails that matter most.

After trying out Superhuman myself, I can appreciate what Vohra means. The interface is exceptionally clean, with no distractions. On the iPhone version, I found it much faster to swipe away emails and search for old ones—helping email become a tool, not just a task. The key commands are eminently useful; hitting 0, for example, toggles to my calendar.

These are the reasons Wyatt is happy to keep paying; he now feels liberated from the slog of email. After our call, I promise to send him a follow-up message. "I know I'll get it, because I already have you marked as important," he jokes. A new status system is born.

OTHER NEW EMAIL APPS

Hey

Cost/ $99 per year

Hey (created by Basecamp) emphasizes receiving over sending. You pick who can email you and where their emails go, and everything else is ignored. Hey for Work is coming next, to host business domain emails. (*hey.com*)

Zoho Mail

Cost/ $1 per month per user for the lite version

One of the best options for hosted business emails using your domain, Zoho is strong on compliance, security, and reliability. You can comment and tag emails, à la your Twitter feed. (*mail.zoho.com*)

Twobird

Cost/ Free

Twobird uses your existing Gmail account. The "two birds" are email and notes, which are all integrated into the app for collaboration purposes. (*twobird.com*)

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Why Can't We Act Faster?

Companies are often resistant to change...until a crisis like COVID-19 forces them to think differently. Here's why we're so bad at making changes before we have to. **by HAMZA MUDASSIR**

Over the past decade, most employees had the tools to work from home—smartphones, laptops, collaboration apps, and more. Research had also shown that remote workers are happier and more efficient, and stay in their jobs longer. But still, very few companies let their employees work from home...until COVID-19. Now many companies are pleased and moving to make the change permanent.

This is not an isolated phenomenon, and it's not just about the virus. It's what happens during crisis, when leaders and employees are pushed to make changes that they may have previously dismissed. Apple in 1997 faced an overwhelming crisis—a drop in stock price to a 12-year low and a close brush with bankruptcy—which proved to be enough of a catalyst for its board to bring back the transformative Steve Jobs. Marvel, on the other hand, did file for bankruptcy in 1996, which led to new ownership as well as a strategic reset away from comic books to a wider slate of entertainment properties.

These companies could have changed direction prior to these crises. There was no lack of data and insight preventing them from doing so. Yet they remained in stasis until it was too late. While Apple and Marvel survived their near-death experiences, others like Kodak, Nokia, and Blockbuster weren't as lucky.

Why do companies need a crisis to change for the better? Are they not run by rational, highly qualified managers who are heavily incentivized toward detecting a shift in tides before it ever hits the ship? Are employees not continuously coached to embrace change and improve the company every day? One way of understanding this seemingly irrational behavior of companies is to compare it to the equally bizarre behavior of us humans, who too often wait for a crisis to hit before changing destructive habits.

I research disruption at the University of Cambridge, and I've looked closely at many historical examples of companies changing during crisis. Here's what I've learned about why people don't make changes sooner.

Illustration / NICOLÁS ORTEGA

1/ Anxiety relief usually takes priority.

In the 1950s, a research group called the Tavistock Institute in London tried to understand people's resistance to change. It had a breakthrough while observing nurses in wards. The nurses followed strict and repetitive medication and checkup procedures, even though that meant waking up patients from what would otherwise be much-needed (and doctor recommended) sleep. The doctors in this ward noticed the problem and gave the nurses new procedures to follow, but the nurses kept on following the *old* procedures—even though they were bad for the patients.

Why? The Tavistock researchers came up with a hypothesis: The nurses were dealing with a very difficult situation, in which sick people could succumb to their illnesses on their watch, and so the nurses shielded themselves from this anxiety by clinging to rituals they were comfortable with. The doctors, meanwhile, hadn't done any coaching or provided any support to help the nurses adopt the new procedures. The doctors had simply issued the new procedures...and then expected change to happen.

Corporate leaders often act like those doctors: They dish out instructions and expect employees to execute without much vision, sensitivity, or coaching. This creates stress, and employees calm themselves by falling back on older processes and practices. *That's* what appears to be a resistance to change.

Crisis alters all this. It creates a tidal wave of anxiety and urgency that's far harsher than anything the organization faced before. Obsolete rituals are no longer any comfort. It becomes abundantly clear that new procedures and systems are needed. Suddenly, the company finds the courage, camaraderie, and momentum to change—and hopefully it's not too late.

2/ Rewards for change are usually too far off.

Every January, gyms see a sharp spike in memberships...only to see them dwindle in the later months. Why doesn't the average adult invest a small amount of money and time every month to ensure that they have a long and healthy life? The answer is simple: The consequences of not going to the gym for the average 30-year-old will only be felt 20 years down the road, which means they're easy to ignore today.

The same holds true for companies. Companies face constant threats—from new challengers and new technology. But bonuses, promotions, and pats on the back are all linked to performance *today*. (In theory, stock incentives should keep people focused on the company's current and expected future performance. But in practice, stock prices are so volatile that they keep management teams focused on day-to-day activities and quarterly results.) A CEO, meanwhile, may realize that their tenure will end before any massive change occurs. As a result, longer-term views take a back seat to shorter-term rewards.

A crisis wipes this lopsided reward system clean. When a company's finances are a mess and its stock price is tanking, there are no immediate bonuses and incentive programs to optimize against. Managers are forced to go back to basics and think about the longer-term prospects of the company. Previously protected statuses of various departments become open for questioning. Budgets that have kept rolling along for years are picked apart. The vision and the mission of the company are brought under a microscope. As a result, the big prize becomes *change*: Winners will be the ones who successfully shift how the company operates.

3/ Social status is valuable.

Companies, like people, value social status among their peers. Press releases wax lyrical about a company's financial performance (no matter how incremental) and the prowess of its leaders. Losing face, so to speak, is an uncomfortable prospect. Admitting to failure—or even mediocrity!—could contradict years of a carefully manicured public image. But this is a mistake. By *not* owning up to the need to change, top leaders deflate any internal momentum set out by various change programs.

A crisis changes that. It dismantles the public image of a company very swiftly, taking away the burden of saving face almost overnight. This is especially true during COVID-19, when nearly every company is suffering. Corporate leaders realize that they're all a little like Kylie Jenner—not the glamorous, pre-quarantine version, but instead the unrecognizable, makeup-free, sweatpants-wearing version that showed up in recent stories. It's impossible to maintain perfection in these times, and there's no shame in admitting it.

These three barriers to change should be lessons for entrepreneurs, leaders, and boards everywhere. If you can actively manage organizational anxiety during times of change (instead of avoiding or suppressing it), reward longer-term performance, and not worry too much about the optics of your business, you can drive change before a crisis does it for you.

THESE COMPANIES COULD HAVE CHANGED DIRECTION PRIOR TO THESE CRISES. THERE WAS NO LACK OF DATA AND INSIGHT PREVENTING THEM FROM DOING SO. YET THEY REMAINED IN STASIS UNTIL IT WAS TOO LATE.

Hamza Mudassir is a visiting fellow in strategy at the University of Cambridge and the managing director at Platypodes.io.

The Beauty of Being an Outsider

Senreve is a luxury fashion brand, but it wasn't created by luxury fashion insiders. Here's how its founders came to dominate a very insider-driven industry. **by STEPHANIE SCHOMER**

Coral Chung and Wendy Wen had built successful careers in business consulting and investment banking, respectively. When they both ended up doing some work with storied luxury fashion brands (Chung with Prada, and Wen with Chanel), the Stanford business school grads identified the same big problem: Nobody was taking a digital-first approach to serving professional millennial women—so they decided to try. Chung and Wen created Senreve, a direct-to-consumer luxury fashion brand, and launched their first product in 2016. (It's called Maestra, a bag that can be worn as a tote, a crossbody, or a backpack and has enough space for the many tools of a busy executive.) Since then, Senreve has exploded, being embraced by celebrities like Selma Blair and Priyanka Chopra, and raising $23 million. How'd they do it? By owning their outsider status.

IT'S IN THE BAG Wen (*left*) and Chung at the Senreve store in San Francisco.

1/ Select your home base.
Industry insiders told Chung and Wen to base their company in New York, fashion's epicenter. But they decided on Silicon Valley instead. "There are a lot of D2C businesses coming out of New York, and it is a bubble, to a degree," Chung says. "You look at so-and-so's website and it looks just like another brand's, and you can tell what agency they used. But we're outside that bubble. Especially in the beginning, not being in that echo chamber was a huge pro."

2/ Don't compromise.
Chung and Wen envisioned a super-functional bag with lots of intentional interior pockets. But the veteran fashion designers they'd hired pushed back, saying it would be too expensive. "One designer literally told us, 'Design at the cost you want, and the customer will accept it,'" Wen recalls. "But we don't want our consumer to 'accept' a bag; we want her to love it. It might be worse for our margins, but we wouldn't compromise."

3/ Make it personal.
To make Senreve products feel truly special, the founders wanted to work with legacy artisans in Italy—but as a Silicon Valley startup, that took some convincing. "Our factory has turned down many celebrity designers but decided to work with us because Coral spent hours wining and dining them, getting to know their families, introducing them to her family," Wen says. "It's a testament to her preparedness and ability to build relationships."

4/ Choose partners wisely.
Early on, when the founders were still bootstrapping, a venture capitalist offered Senreve a $1 million investment—and they turned it down, choosing instead to focus on smaller angel investments. "We needed time to evolve and find our product-market fit," Chung says. "It wasn't the right time, and he wasn't the right partner. I don't think we'd be around if he was the third partner around the table. We were flattered, but his ideas weren't aligned with ours."

5/ Find *your* influencers.
Many fashion brands chase influencers and celebrities, but Chung and Wen didn't—at first. Instead, they worked to get their bags in front of their target audience. "It was women in tech, managing directors in finance and private equity," Chung says. "They'd wear the bag, love the bag, go to conferences, and that's what started the momentum." From there, A-listers started showing off their Senreve bags on Instagram, solidifying the brand's insider status.

PHOTOGRAPH COURTESY OF SENREVE

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How Fast Should You Grow?

Investors wanted **SpotHero** to grow rapidly, but its CEO had a different vision. He wanted to beat his competitors... by moving slower than they did. **by JASON FEIFER**

SLOW AND STEADY Lawrence in Chicago, where SpotHero perfected its service before stepping on the gas.

PHOTOGRAPH COURTESY OF SPOTHERO

Mark Lawrence kept hearing the same thing from investors: If he wanted their money, he'd need to expand *fast*.

It was 2012 and Lawrence was cofounder and CEO of SpotHero, a startup that enables drivers to book parking spots in advance—say, at a lot or a garage. Competitors were spreading across the country, and investors saw a land grab. The company with the biggest footprint seemed likeliest to win. "They said they would invest if we had more scale, and if we were in more cities," Lawrence recalls.

But Lawrence had a different idea. He'd launched in Chicago and wanted to master one city at a time. "I didn't know I was right," he admits. But entrepreneurs must constantly make difficult, consequential decisions—weighing others' advice against their own gut instincts, even if, deep down, they have no idea who is correct.

So how does someone like Lawrence stick to his gut? He played out different scenarios, justified his plan, and set an aggressive timeline. In the end, he was proven right.

Back in 2012, people were calling SpotHero a one-hit wonder. It had raised some money, graduated from a Chicago incubator, and hired a few staffers. But its competitors were growing fast. A startup called Parking Panda, for example, had launched in Baltimore and was already in a few other states. When Lawrence sought more funding, investors pointed to companies like Parking Panda and said, "Do that."

But Lawrence had studied his competitors' tactics and found them lacking. Parking Panda, for example, had a handful of spaces in Boston and Philadelphia. "Nobody in Philly cares how many locations you have in Boston, and vice versa," he says. "People care about, 'Can I park in my city today?'" By covering so much ground, Lawrence believed, his competitors were diluting themselves—doing things to please investors but becoming forgettable to consumers.

Instead of arguing, Lawrence thought about what the investors were after. "What they really wanted was growth rate in revenue, and a path to 'game over,'" he says. So he proposed two plans, with projected revenue for both. In the first, he'd expand rapidly all at once. In the second, he'd act like a conquering army: Stay in Chicago for six months to defeat a local rival, then go to D.C. and defeat Parking Panda, then go to New York and defeat a competitor there, and then march to the West Coast. The second plan had stronger numbers. Investors cautiously agreed.

Because SpotHero could now focus solely on Chicago, it could spend all its marketing resources locally. That triggered an important chain reaction. As more Chicagoans used SpotHero, they created more operational challenges to solve, which helped SpotHero learn how to operate at scale. That, in turn, started driving significant revenue to the garages—which became the game changer.

Consider the parking industry. There are major companies that own garages across America. SpotHero's competitors were sending business to many of them, but no single garage saw a significant bump in revenue. Meanwhile, SpotHero focused on one area, meaning it drove a lot of dollars to a few garages—and *that* got attention from garages' national executives.

Soon the execs were talking to Lawrence about how to partner on a national rollout. "We actually got the best relationships with the largest companies solely because we focused on one market," Lawrence says. When it was time to expand into D.C., SpotHero launched there in 100 locations—a massive move that helped it quickly dominate. Soon SpotHero was on the move, expanding and buying up rivals (including Parking Panda), while watching others pivot or die.

Today, the company operates in 300 cities, has raised $118 million, and expects to hit a billion dollars in total parking sold by 2021. And when Lawrence looks back, he takes this lesson: Expanding smartly is more important than expanding rapidly—but that's not to say it'll ever feel risk-free. "If you feel *so good* in one market and then you go to the second," he says, "you've waited too long."

Hear Lawrence on our podcast Problem Solvers, *available on Apple Podcasts or wherever you find podcasts.*

The Future of DTC Is...Boring?

Brandless was a hot company with a bad business model, like many of its direct-to-consumer peers. Now it's back as a quieter company focused on slower growth. Is this what DTC needs? **by JASON FEIFER**

Not many people know the name Ryan Treft. That's just fine with Ryan Treft.

"I don't plan on hitting the speaking circuit," he says. "I'd rather be behind the scenes." It's served him well so far. Treft has been behind some great direct-to-consumer success stories—stories you also may never have heard of because they didn't get much press and weren't awash in investor money. But they *made* money. Lots of it. Which was the point.

Now Treft has bought a brand many people *have* heard of: It's Brandless, the onetime DTC company that raised nearly $300 million (much from the notoriously growth-hungry SoftBank) on the promise of selling cheap, everyday goods to millennials. It launched in 2017 to massive praise, and further turned its cofounder and CEO, Tina Sharkey, into a business celebrity. Brandless rose as part of a cadre of buzzy, deep-pocketed DTC brands—like Casper and Outdoor Voices—that spent heavily on growth and seemed to be on meteoric rises. Then, in the past year, the narrative changed. Casper revealed that it lost more than $60 million in each of the past three years; Outdoor Voices reportedly lost $2 million a month and parted with its high-profile founder,

Illustration / VIKTOR KOEN

Tyler Haney; and Brandless went out of business.

What went wrong? The general takeaway from business experts is this: When brands raise a ton of money and spend it on growth, all while discounting their product, they may boost their profiles and increase sales—but it's an unsustainable game. Now, especially as finances have tightened during the pandemic, it may no longer be a game investors want to play.

If that's the case, then Columbia Business School adjunct professor Leonard Sherman says good riddance. "Capital constraints aren't an inconvenient nuisance for early-stage ventures," he says. "Rather, fiscal discipline encourages experimentation to optimize business performance in terms of product-market fit, technology reliability, supply chain efficiency, business process stability, and business model viability."

Nobody can predict the future, of course, but here's a hypothesis about what comes next: DTC survives but becomes decoupled from heavy investment—or at least, investors' expectations shift dramatically. New brands stop being flashy and become more boring—growing only as quickly as their revenue, and focusing on fundamentals.

In short, maybe the next phase of DTC looks like Ryan Treft. Unlike his high-profile peers in Silicon Valley or Manhattan, he lives in the Salt Lake City suburbs. He's shifting Brandless's inventory and plans to make a profit while serving a more discerning audience. And how does he expect it to go? On that question, too, he sounds different from the darlings of DTC past.

"I don't want to go out there as a hype man to say, 'We're going to be billion dollars or bust,'" he says, "because if you do that, you can go bust. And I'd rather not."

Brandless started life with a simple proposition. It sold high-quality generic (or "brandless") household products for $3 each—shampoo, soap, vinegar, and so on. It likely lost money on each sale, but its massive fundraising rounds allowed for that. As the years went on, though, Brandless began lurching toward new models. Sharkey stepped aside as CEO in March 2019, and the new CEO dropped the $3 tag for every product. Soon Brandless was hawking higher-priced items like suitcases and cutting boards. Reports came that the brand was struggling to retain customers. By February 2020, it was done.

This got Treft's attention. He got into e-commerce in 2012, after selling off a successful toy company called Zoobies. He created and sold an online furniture business, then an e-commerce fulfillment center. He helped fix the distressed DTC brand Coalatree, helped turn a pajama brand for bed wetters into a multimillion-dollar operation, and cofounded a growth marketing company called Ikonifi. Treft felt that he understood why Brandless failed and how to make it work, so he reached out with an offer. "It was a deal I didn't expect to win the business with," he says, but the sellers were eager. Treft, along with his Ikonifi cofounder and partners at Utah-based Clarke Capital, became the new owners.

Treft's plan is straightforward: Brandless should be a health-and-wellness-oriented company, and it should focus on products that are economical to make, ship, and compete on. Diapers? The old Brandless sold them, but Treft says they don't make sense. "The margins are so thin, and it costs too much to ship; they take up so much space," he says. But essential oils? Competitors there mark up the product five to 10 times; he can undercut them and still profit.

After taking ownership in May, Treft projected that Brandless 2.0 would be ready to launch by June 22—so he hired Brandless's former director of merchandising, got a PR firm, and eventually had an embargoed press release sent out timed to that date. But as June 22 approached, he realized he wouldn't be ready. He'd been moving 4,000 crates of Brandless inventory from one Kentucky fulfillment center to another—the cost savings were great—and the process took longer than expected. Also, the brand's old digital assets weren't well organized; his team was staying up until 3 A.M. to manage them.

Brandless *could* have still relaunched on June 22, delighting its quarantined fans. The new site was ready to go, after all, and Treft has the brand's existing email list of millions of people. He could have opened up for sales and told people to be patient on delivery. But that's the old DTC focus on growth, and Treft isn't interested. "Brandless prided itself on great customer service, and I want to do that moving forward," he said in an interview on July 6, when the brand still hadn't launched. He wanted to work out the bugs and then slowly alert Brandless's old audience—ensuring that his new team could handle the flow of orders.

Still, when that press release went live on June 22, Brandless had to offer *something*. So it put up a simple page offering product bundles—basically whatever Treft's team could get its hands on quickly. Instead of sending the items in boxes, they shipped them inside Brandless's old line of suitcases, which Treft wanted to ditch anyway. After two weeks, most of the bundles sold out. "We're doing thousands of dollars a day by doing nothing," he said at the time. "So it's looking promising."

But of course, Treft doesn't put much stock into quick victories. He's a long, slow grind kind of guy—and so, as he prepared for the full relaunch of this pared-down brand (which finally happened on August 1), he says nothing has shaken him from his belief in fundamentals. "Make sure you have margin. Make sure you have really good, dialed-in marketing," he says. "Outsource the affiliate. Outsource the PR. And let the numbers dictate how fast or slow you grow."

> I DON'T WANT TO GO OUT THERE AS A HYPE MAN TO SAY, 'WE'RE GOING TO BE BILLION DOLLARS OR BUST,'" SAYS BRANDLESS'S NEW OWNER, RYAN TREFT. "BECAUSE IF YOU DO THAT, YOU CAN GO BUST. AND I'D RATHER NOT."

Got an Idea? Draw It

I found a super simple practice that has helped me build my multimillion-dollar business. **by SEEMA BANSAL**

→SEEING IS BELIEVING Bansal's sketches (like the one below) keep Venus et Fleur and Chiji full of innovative products. (Here with cofounder Chadha.)

Every entrepreneur has had some burst of creativity—the aha moment that set them on their path. But *sustaining* that creativity can often be the most challenging part of the process. We're continuously bombarded with new information and demands that can cause good ideas to get lost in the rush of our everyday lives. That's why I carry a sketchbook everywhere I go. It's the key ingredient in a super simple practice that helps me develop new products, brands, and business strategies. No matter what industry they are in, I recommend this to other entrepreneurs as a tool to fuel their own creativity—and the best part is that drawing skills are not required.

I've never considered myself an illustrator by any means. In fact, I started sketching in an environment most would consider nonartistic: I grew up in Vancouver, British Columbia, working at my dad's plumbing manufacturing plant. For years I watched him sketch the sinks and toilets he wanted his teams to make. It taught me at a very early age how even the most basic illustrations can bring big ideas to life. Drawing validates the idea. It makes it more real.

Years later, I started dating a man named Sunny Chadha (whom I'd eventually marry). He sent me a bouquet for Valentine's Day—but the flowers arrived damaged and sparked an idea on how the industry could be improved. I started out by sketching how florals could be arranged in elegant, durable containers. Soon after, Sunny and I formed a luxury floral company based on those sketches called Venus et Fleur, and it has thrived for five years. We recently launched our second company, a crystal energy infused candle and skincare brand, Chiji, which began life with drawings, too.

To continue innovating for both, whenever I have a thought about a new product or concept, no matter where I am, I do a quick drawing of it in my sketchbook and jot down a few words to remember why I created it in the first place. Once every quarter, I set aside a few hours to review them and everything I've done over the past few months. This is when the ideas are processed—and when new ones are born.

I prefer to be alone for this part. I kick everyone out of the house and find a place where I'm most relaxed, which is usually my bedroom. I meditate first and put on soothing music—mostly instrumental, because lyrics can be distracting. I'll often use the Calm app and sometimes drink tea. None of this is required for your creative process, but I think it's important to be in a serene space.

Once I'm settled in, I look through my sketchbook for any potential winners and spend time tweaking them. I let myself envision all the new products I want to create. I draw in more detail, and sometimes I take out my computer to look up the history of a name or word. After a session, I show the sketches to my team, and it becomes a more collaborative process.

So many of our products have come to fruition this way. I had an idea for an advent calendar that looks like a book. It's actually a box with 12 hidden compartments; when you open each, there's a different-colored rose in a lipstick-like container. On the sketch I wrote "12 lipstick minis" and "$299." We've been selling this exact product for two years. I also typically draw all the products we're planning to roll out for the next three or four months on the same page. It lets me see how they line up together, and if something feels out of place.

That's not to say this always works. Once I drew a foldable tray table filled with flowers. I thought, *This is going to be such a cool SKU! Who wouldn't want a nightstand or a coffee table that has a full bed of roses covered by glass?* We went through a year of product development and ordered multiple samples. After going back and forth with the engineer, it just wouldn't ship properly.

But my advice to other entrepreneurs? No idea is a bad idea—and whenever you feel stuck, all you need to do is go back to the drawing board.

PHOTOGRAPH COURTESY OF VENUS ET FLEUR; SKETCH BY SEEMA BANSAL

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Are We Productive, or Just Busy?

Not everything your team does will push your business forward. Here's how to refocus that time and energy—and get on a path toward long-term success. **by ADAM BORNSTEIN**

Q I feel like my team is always scrambling, but I have trouble knowing what's actually working. How can I tell?
—ELIZABETH, NEW ORLEANS

YOU KNOW the old saying "Practice makes perfect"? It's a great mindset but also highly flawed. Practice leads to perfection only if you're focusing on the right things. When it comes to your business, *busyness*—also known as practice—can be a facade. And this becomes an even bigger problem during tough times, when it can feel impossible to keep a pulse on your business.

But don't stress. There are a few basic systems that can help turn your business into a highly efficient machine.

To change the game, start by keeping score. Sports have clear winners and losers, and those outcomes are often determined long before the game lights go on. The best teams are notorious for tracking everything on the practice field and in the training room. You should do the same within your business.

I recommend three types of measurement: strategy, tactics, and time.

Let's start with strategy. You need to ask yourself: *What's the highest purpose of my business?* If this were football, that purpose would be "to win the Super Bowl." For your company, the goal might be generating $1 million in revenue this year, acquiring 10 new customers, or any other metric that will determine your success. Once you've done that, build some sub-strategies—specific things your business needs to do to achieve that highest purpose. Be clear about why *each* approach will result in your ideal outcome.

Next, move to the tactical level. Within each of your sub-strategies, outline the three to five things you will do to execute against the strategy, and set specific goals for each tactic. You'll want some key performance indicators (KPIs) or other ways to track your success along the way—because as the late famed management thinker Peter Drucker said, "What gets measured gets managed."

Notice what we're building here: It's a multilayered game plan, with ways to measure success along the way. If you have a primary goal and three sub-strategies with five tactical KPIs each, you just created 15 tactics to measure. Be mindful of how everything works together. Not all 15 things are going to work; you'll fall short on some goals. But now you have clarity on what's working and what's not.

The final piece is time—and it is essential. Businesses often spend time on work that doesn't align with their primary strategies. That means there's no way to measure if it's impacting the bottom line.

To fix this, set up a project management system. You want complete transparency on who is working on each project, when the project starts, when it ends, and how it aligns with each strategy and tactic. (Asana, Monday, and Trello are just a few good tools that can help here.) Then, take a step back and ask: *Are my biggest time investments yielding my biggest rewards?*

The answer may be no. In fact, you may discover a ton of wasted effort. That's a frustrating lesson, sure, but it can also be a best-case scenario: You're succeeding in spite of inefficiencies! That means your potential growth is very high.

Once you create this type of infrastructure, it's easy to assess the ways you spend time. You'll also improve your team's focus and empower them to course-correct on their own. When that happens, you can have more confidence that your team's small decisions are aligned with the big results, and you can spend less time worrying and more time planning for future growth.

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

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→ REMOTE WORKS
Fireflies.ai founders Krish Ramineni (*left*) and Sam Udotong are building something big from their Bay Area homes.

Building

the Future

What does it take to create change? Just ask these 17 founders, all age 27 or younger, who are doing it every day.

Photograph / CODY PICKENS

BUILDING THE PERFECT PRODUCT FOR A REMOTE-WORKING ERA... WITHOUT REALIZING IT

Sam Udotong, 26, and Krish Ramineni, 26

Cofounders, Fireflies.ai

After working 20-hour days for years, living on the cheap while bootstrapping a company in San Francisco, Sam Udotong discovered something about his body. "I had trained myself to stop really *enjoying* food," he says. That meant he could subsist entirely on Domino's pizza and the meal replacement drink Soylent, and maintain focus. "It let me work more hours every day."

That was 2016. By now, years later, he expected life to be different—or, at least, to come with better food. He and his cofounder, Krish Ramineni, have raised nearly $5 million in venture funding for that once bootstrapped company, Fireflies.ai, which is rapidly expanding across the globe. But Udotong is still drinking Soylent regularly, because COVID-19 put the founders back into 20-hour-a-day crunch mode. Fireflies.ai takes and organizes notes for people during meetings, which is highly appealing to remote workers. "When the lockdowns began, I remember thinking, *Holy crap, our market just jumped ahead a few years*," Udotong says.

He and Ramineni, it turns out, were the right amount of early. But this is how the two of them have always operated—taking bets on the future and doing things a little differently.

Udotong and Ramineni's origin story begins unusually. The two met in college...but Udotong was at MIT (studying aerospace engineering and computer science), Ramineni was at the University of Pennsylvania (studying engineering systems), and they were introduced virtually by a mutual friend. The two clicked, started video chatting daily, and spent 11 months collaborating extensively on projects—a cryptocurrency, a drone delivery system—before ever meeting. Ramineni graduated early, took a job at Microsoft, and then planned to do a master's program at University of Cambridge in the U.K. The summer before school began, Ramineni went to Boston to spend time with his collaborator—and that's when they conceived of Fireflies.ai. They felt they were onto something big, so Ramineni dropped out of his master's program and moved with Udotong to San Francisco to focus on the startup. (Ramineni's parents had one question: "Are you committed to it?")

Their vision for Fireflies.ai was big. They wanted to build an artificial intelligence assistant for work. Many startups offer some version of this—with systems that schedule calls, or bots to install on Slack. Ramineni and Udotong wanted to find an untapped market to enter with, and they realized there was a massive opportunity in meetings. When people are talking all day—say, a manager checking in on multiple projects, or someone in HR interviewing job applicants—it's hard to take and organize notes. What if AI could do it instead?

This required some future-gazing, because back in 2016, when the startup began, voice recognition technology wasn't very good. This was beneficial, in a way. "If everyone believed in it, then you'd see hundreds of companies," Ramineni says. The question was: How far away was the technology from being mature? They dove into research papers and studied the market, and came away feeling "maybe 70 percent sure" it was worth betting on. "If you want to build for a brand-new market, you have to take those sorts of bets," Ramineni says.

As they saw it, their bot would act like a secretary—sitting in on meetings, understanding conversations, and taking and organizing useful notes that were searchable at any time. This would require major improvements in voice recognition technology, as well as an infrastructure to handle hundreds or thousands of meetings at once. To achieve it, they stayed in beta for roughly all of 2018.

For as forward-thinking as they were, they missed one thing: "Quite candidly," says Ramineni, "during our first two years of existence, we never used the words *remote work*." It's almost hard to remember now, but remote working was still seen as experimental then. Instead, the founders envisioned users sitting in rooms and accessing Fireflies.ai through a speakerphone. Ramineni and Udotong weren't even working remotely themselves; they occupied a coworking space.

But they wouldn't be far behind the shifting trends. They discovered they were more efficient at home and built an entirely remote team spread across five countries. And when they released their product to the public in 2019, they resolved to refine it in a totally bottom-up way—first working with small startups, obsessively serving their needs, and expecting that word would spread. "It has to be adopted at the grassroots by people," Ramineni says. "It has to be something that people learn, recognize, and utilize without a massively expensive sales force." Even now, they employ no salespeople.

By pure coincidence, they rolled out their first major update this past February, just before COVID-19. hit. As the world went remote, user growth soared on Zoom, Google Meet, and Microsoft Teams—all of which Fireflies.ai integrates with, leading to a big bump in users. Ramineni and Udotong braced for an operational challenge. Prior to this, their users were mostly in the U.S.—meaning that there was natural downtime overnight when they could push out updates. Now people around the world are using it, and there's never downtime—so the cofounders are often in the weeds with their engineers fixing problems on the fly at 3 A.M. "It is definitely an interesting transition period," Ramineni says, "where we have to not only manage a team but also operationally be good at what we do as a startup."

A few years ago, Ramineni and Udotong bet on the future—and now, it seems, the world has caught up with them. Voice technology is vastly improved, and teams are in increasing need of a product like theirs. Investors have noticed and are calling with interest. Ramineni imagines a time when the team is big enough for the founders to step back from day-to-day coding, and maybe even hire a sales crew.

But some things won't change, the founders say. It's the stuff built into the beginning of their relationship, when they were two college kids who hadn't met in real life. "We built trust over time with frequent communication and consistent productivity," Udotong says. "We always challenged each other to deliver better work. Our strategy now informs how we build trust in our fully distributed team. Those pillars are important for every company, remote or not." **—Jason Feifer**

Photograph / CODY PICKENS

ADAPTING NOW TO BE STRONGER TOMORROW

Katherine Allen, 24, and Atreya Misra, 24

Cofounders, Flo Recruit

PHOTOGRAPH BY ADRAINT BEREAL

FLO RECRUIT WAS designed to help companies secure top talent at recruiting events. "We had a road map of where we would be at the end of 2020," says cofounder Atreya Misra. But of course, COVID-19 put a halt to all events—job fairs included. "We basically had to start from scratch."

It's a position most entrepreneurs were in this year, forcing them to refocus on the value they offer—and then to rebuild for how to be valuable *now*.

That came naturally to Flo Recruit because it had gone through the reinvention process once before. The concept began five years ago, when cofounder Katherine Allen was in the basement of her sorority house at the University of Texas, sorting through stacks of pledges' résumés. "You're trying to put together groups of members who might like each other because they have to talk during a party for 20 minutes," she says. "It just felt ridiculous because there's literally more than 1,000 potential new members at UT."

Allen was a mechanical engineering student and figured she could build a more efficient way to recruit. She drew up wireframes in her journal, then went looking for a developer to build the product. She found Misra, a junior at the time, and the two soon started selling their software mostly to Greek-life organizations. "Then the light bulb went off," says Allen. "We saw there was a much bigger opportunity: *employers*." At big college recruiting events, headhunters are so mobbed that they struggle to keep track of whom they've met.

By 2019, Flo Recruit had grown into a platform that helps businesses track, research, and hire candidates they meet at events. The company completed the accelerator Y Combinator, raised a seed round of more than $1 million, and attracted some of the nation's biggest law firms as clients. When COVID-19 hit, Allen and Misra worried the company was done for—and then, once again, realized they faced a massive opportunity. "This has forced people to become comfortable with remote interviewing," says Allen. "We want to be the leader that provides a virtual solution before they even know what that's supposed to look like." With its new virtual products, Flo Recruit is now on track to triple last year's revenue.

Reporting / LIZ BRODY, FRANCES DODDS, STEPHANIE SCHOMER, and JESSICA THOMAS

TAKING THE TIME TO TEST YOUR IDEAS

Jeremy Cai, 25

Founder and CEO, Italic

JEREMY CAI IS the son of Chinese immigrants who worked in auto part manufacturing in Chicago. That got him interested in manufacturing in general—and he was puzzled to see how slow the industry was to adapt. Even as direct-to-consumer companies disrupted retail, older companies seemed stuck on the same model they'd relied on for half a century.

At 23, he decided to join the disruptors. He imagined a luxury fashion and home goods company that would sell its items in a totally new way. Most brands buy product from a factory, then mark it up for consumers. His company would act more like a partnership: He'd create a platform through which manufacturers could sell directly to consumers, therefore earning double or triple their usual profit. He'd take no cut of the sale; instead, he'd charge a $100 annual membership fee to shop on the site.

The appeal, as Cai imagined it, was that products would come from the same highly skilled manufacturers utilized by brands like Prada and Celine, but at a fraction of the cost. He spent 2018 meeting with 400 manufacturers, trying to convince them to invest in inventory they'd sell through his platform.

"We got a lot of noes," he says, laughing. But he also got three yeses, and his company, called Italic, launched that November with handbags, scarves, and eyewear. The products were good, but his model didn't work. Consumers weren't willing to pay for a membership, because they didn't see the value. So he pivoted. He dropped the fee and added a small markup on the items while he focused on bringing in new products from dozens of factories and building brand awareness.

This July, armed with a solid reputation and plenty of happy customers, Italic reintroduced memberships, and a waitlist quickly formed. "Don't take advice at face value," says Cai, who has raised $13 million in venture capital to scale the business. "It really comes down to being creative and figuring it out on your own—especially if you're trying to build something new."

SETTING OUT TO SOLVE YOUR OWN PROBLEM

David Zamarin, 22

Founder and CEO, DetraPel

SOMETIMES AN IDEA is bad. But other times, an idea is good—and just the timing is bad.

David Zamarin didn't realize it at the time, but his idea fell into the latter category. As a teenager growing up in Philadelphia, Zamarin just couldn't keep his beloved Air Jordans clean. He imagined a magical film that would peel off his shoes whenever they became dirty, revealing a pristine surface. But...it didn't exist. And he had no idea how to create it.

So he did the next best thing. He started a shoe cleaning and repair business called LickYourSole, which he marketed to local sports teams. It was an instant hit, and he sold it four months later. But as he got older, he couldn't shake his original idea. Was a protective film for shoes really possible?

To find out, he got involved with the chemistry department at the University of Pennsylvania's Singh Center for Nanotechnology. Then he embarked upon a long R&D process. After more than three years, he'd actually done it: He created DetraPel, a nontoxic liquid that protects materials from stains.

In 2017, at the age of 19, he pitched the product on *Shark Tank* and got a $200,000 offer. The money ultimately fell through, but the publicity was priceless. "We had hundreds of thousands of visitors to our website within several minutes of the show airing," Zamarin says. That helped fuel growth, and it has empowered Zamarin to bring on key hires and focus on strengthening operations as the brand projects a 13-times growth in 2020 year-over-year sales.

This year, in response to COVID-19, DetraPel shifted production to make disinfectants and hand sanitizer—and business boomed even more: "We had record sales in March, April, and May."

PHOTOGRAPH COURTESY OF ITALIC (CAI); PHOTOGRAPH COURTESY OF DETRAPEL (ZAMARIN)

BRINGING NEW TECH TO AN OLD INDUSTRY

Matthew Rooda, 26

Cofounder and CEO, SwineTech

MATTHEW ROODA grew up in southeast Iowa, where his parents and grandfather were pork producers. But his family encouraged him to go to college to try something new, so he entered the University of Iowa on a premed track. While he was there, he took a part-time job at a farrowing house, where sows give birth, and got an up-close look at the problem of piglet crushing, which kills one in every 10 piglets. "One morning I went up to one of the moms, and she had lain on, like, eight of her babies," Rooda says. "They were dead. Fifteen minutes later, she lay on another one. I was so frustrated. I was just like, *I have to figure out a way to solve this problem*."

In 2015, Rooda and his friend Abraham Espinoza, a computer science student from Saltillo, Mexico, founded SwineTech and developed an algorithm that identifies the squeal of a piglet being crushed. They built a mesh network that could pinpoint the location of a piglet in distress, as well as a wearable patch for the sows. When a piglet beneath a sow starts squealing, the patch gives the mother a gentle TENS impulse (the same used by chiropractors on humans), prompting her to shift and the piglet to wriggle free.

Rooda and Espinoza, 28, have raised $7 million in funding for SwineTech and will soon launch a new product that repurposes healthcare management techniques for the industry. Rooda may have been pulled back to his family's roots, but this is nothing like his grandfather's pig business. "It's been exciting to help the industry move into the digital age," he says.

DOING WHAT OTHERS OVERLOOK

Cecilia Gonzalez, 26, and Kimberly Robles, 27

Cofounders, Hype and Vice

KIMBERLY ROBLES (*pictured, right*) was studying business at the University of Southern California when she met Cecilia Gonzalez (*left*), a student at the nearby Fashion Institute of Design & Merchandising. The girls instantly bonded over two things: They both grew up in Mexico, and they both knew how to hustle.

At tailgate parties, they noticed that all their girlfriends were cutting up and redesigning USC shirts to make them cuter, more fitted, and less masculine. Collegiate apparel, after all, isn't known for being fashion-forward. So Robles and Gonzalez jumped, founding Hype and Vice in their dorm rooms and debuting with trendy USC T-shirts. In just a few months, students were lining up at other campuses for clothes in *their* school colors.

From there, two problems would test their hustle. First a batch of cease-and-desist letters landed at the girls' dorms just as sales started to soar. Rather than give up, they negotiated licenses to legitimize their use of schools' logos. Then they realized their suppliers were eating up their margins. So they rethought their operations. "We were like, *How complicated can it be to set up our own factory?*" says Robles.

As it turns out, very—especially in Tijuana, where they decided to have their shop. Without a clue where to start, they cold-called local factory owners seeking advice; one finally invited them to his office and showed them the ropes. ("We've never been afraid to ask," says Robles.) From there, Hype and Vice was able to acquire a manufacturing plant. It opened last summer.

The brand now has 60-plus university partners, 10 employees, and $1.7 million in funding. Discovering your entrepreneurial journey is easy, says Robles—even if the journey itself is challenging. "Just dive deep into an industry you're passionate about, and you'll find problems you can fix. Then go and fix them."

PHOTOGRAPH COURTESY OF SWINETECH (ROODA); PHOTOGRAPH COURTESY OF HYPE AND VICE (GONZALEZ & ROBLES)

CHOOSING SUSTAINABLE GROWTH OVER RAPID GROWTH

Lani Lazzari, 26

Founder, Simple Sugars

PHOTOGRAPH BY ALEX LAZZARI

LANI LAZZARI WAS desperate to clear her eczema. Nothing she tried helped. Then one day, after a lot of experimenting, she mashed up a sugar scrub in her kitchen—and it worked! But when she decided to turn her homemade solution into an all-natural skin care company, no one thought it would last, much less go on to make $5 million in profits. Why? Because Lazzari was 11.

Age, it turns out, would be just one of many hurdles she'd face in business—but many years later, the setbacks would prepare her to thrive during COVID-19.

Lazzari formed her company, Simple Sugars, in middle school, and it grew slowly. In high school, she drove 10,000 miles around the country promoting it in her great-grandmother's 1999 white Chevy Prizm—earning her a lot of social media attention, and an invitation onto *Shark Tank*. She went on the show, scored $100,000 from Mark Cuban, and, on the first weekend the episode aired in 2013, did an explosive $650,000 in sales.

This would become Lazzari's next major hurdle: She wasn't prepared to handle that volume of sales. "You just have to focus and say, 'OK, I don't know the ultimate solution, but what are the small things I can start solving in the meantime?'" she says. Step by step, she put together the pieces of the puzzle, hiring a team to handle the company's overflowing inbox and seeking out new sugar suppliers to meet demand.

By 2014, Simple Sugars had scaled and placed products on 450 store shelves. But when Target called with an offer—typically any entrepreneur's dream—Lazzari experienced yet another big hurdle. "They wanted us to hit a lower price point for them than for anyone else, including our own website," she says. Her online sales accounted for 80 percent of revenue, and she feared undercutting herself, so she declined the deal. Then she looked closer at her other brick-and-mortar partnerships, saw a slowdown, and made a bold decision: In 2017, she pulled out of almost all storefronts so she could refocus on e-commerce.

That decision felt especially prescient in 2020, as stores closed while her online sales bumped up. Revenues are on track to hit $3 million in 2020. "It's not significant growth," Lazzari says. "But also, I'll take it!"

SERVING THE CLIENT *AND* THE CONSUMER

Jamie Marshall, 24, and Kevin Tan, 26

Cofounders, Snackpass

IN 2017, when Jamie Marshall and Kevin Tan were students at Yale, they thought the same thing generations of students had thought before: *Waiting in line for food is annoying*. But unlike others, they decided to solve the problem. They created Snackpass, an app that lets users order ahead for fast and easy pickup, all the while earning rewards points that can be shared with friends. At launch, 80 percent of Yale students started using the app, and restaurants were quick to partner with it. (It charges about 10 percent or less per order, which is much lower than most delivery apps.) "Other food apps need to burn money to acquire and incentivize drivers," Tan says. "We've removed that line item from our equation." Today, the app is used across 14 campuses and has raised $21 million. But COVID-19 has swiftly changed restaurants *and* campuses. "We're helping both reopen safely and go contactless," says Tan. Adds Marshall, "We built an integrated suite for restaurants, including digital menu QR codes and self-serve kiosks, to drive business safely." And throughout the turbulent changes of this year, they've learned to make their product easy to use—no matter what. "Your value needs to be a no-brainer to the customer," Tan says. "They need to be irrational to not use your product."

FINDING NEW WAYS TO REACH YOUR GOALS

Paris Smalls, 27

Cofounder and CEO, Eden GeoTech

EDEN GEOTECH'S aim is to replace hydraulic fracking—which pumps millions of gallons of water infused with hazardous chemicals into the ground as a way to draw out oil or natural gas—with a planet-friendly alternative. CEO Paris Smalls and his cofounder, Ammar Alali, 31, have developed the Pulsed Electric Reservoir Stimulation, a technology that uses electrical energy to boost permeability without leaving behind harmful materials. The company has attracted more than $2 million in funding and is currently working with its first partner, Petroleum Development Oman, to deploy its technology. But today's success isn't quite what the founders had originally envisioned. "Our primary focus at launch was to create a technology that could utilize the latent heat in abandoned oil and gas wells to generate renewable geothermal power," Smalls says. "After a year, we realized that though it was technically feasible, it wouldn't be economically feasible. We needed to get creative to ensure the company's future." His takeaway: "Don't be afraid to pivot," he says. "Be flexible and open to new ideas."

GETTING ANSWERS BY ASKING TOUGH QUESTIONS

Ivonna Dumanyan, 26

Cofounder and CEO, Fathom AI

AS AN NCAA Division-1 athlete, Ivonna Dumanyan was all too familiar with preventable injuries. *If I could only understand the abilities and limitations of my body, I could find the workout, recovery, and care measures that are effective for me*, she recalls thinking.

At the time, Dumanyan was studying mechanical engineering at Duke University, and Gabrielle Levac—another student-athlete—was studying statistics. Together, they started digging into the problem, speaking with leading sports science researchers, all in the interest of using data to create safer workouts.

Today that passion project has grown into Fathom AI, a company that works with fitness providers to capture user bio data and uses analytics and machine learning to create personalized workouts and recovery plans. Dumanyan and Levac, 28, have raised $3.2 million since incorporating in 2015 and are currently negotiating a $2 million to $4 million contract with a national boutique fitness brand.

"Heed your fears," Dumanyan says of starting a business. "Discomfort can lead you to either self-destruction or the questions you should be asking, the problems you could be missing, and the most pressing challenges that you must tackle."

PHOTOGRAPH COURTESY OF SNACKPASS (MARSHALL & TAN); PHOTOGRAPH BY ANTHEM FILMS (DUMANYAN); PHOTOGRAPH BY MADI KING ERGER (SMALLS)

Who's Next?

STARTING SMALL, THINKING BIG

Arya Mathew, 21

Cofounder and CEO, Nature's Label

YOU PROBABLY DON'T think much about those little stickers that come on produce, but they represent a potentially big problem. "Our journey began when one of our team members accidentally swallowed a plastic product sticker," says Arya Mathew, CEO of Nature's Label. "We determined that while relatively safe to consume, these stickers have a much more concerning impact on the environment." In fact, each year, avocados, oranges, and bananas sold in the U.S. are labeled with enough plastic stickers to wrap around the Earth 1.6 times—and their presence forces nearly 15 percent of compost to be thrown into landfills.

Now Mathew, along with cofounders Sophie Ye, 20, Khoi Ha, 21, Alyssa Mell, 21, and Siddhant Jain, 21, are creating a solution called Nature's Label: eco-friendly stickers made of rice paper, wax, and a compostable adhesive. They're all undergrads at the University of Washington and Seattle University, and they're being funded in part by a recent $10,000 win at Seattle University's Harriet Stephenson Business Plan Competition. "Bringing an idea to reality is not easy," says cofounder Mell. "We've learned to use feedback and criticism as fuel rather than discouragement."

CAPTURING VALUE WHILE CREATING VALUE

Phat Le, 25

Founder and CEO, Blest

PHAT LE WAS studying aerospace engineering when he realized that college just wasn't for him. He dropped out and tried educating himself, but he was underwhelmed by the options—just online courses and virtual classrooms. "At the same time," he says, "I saw that consumers are willing to pay more for premium content, but creators are stuck duct-taping multiple products together to provide that experience."

So he knew what to do: He'd build a better product.

Le already had a résumé built on self-determination—he was a self-taught UI designer and software engineer and a recipient of the $100,000 Thiel Fellowship in 2017, as well as an entrepreneur in residence at Jaguar Land Rover. Now he's created Blest: The ad-free platform hosts courses, memberships, and other products to serve online communities. "We want to help people run their entire business from one place, to capture more of the value they're creating," he says. A public beta comes out this year, and Blest is slated to launch in 2021. And just as his company is all about community, Le has learned that entrepreneurship is, too. "Pick your friends wisely," he advises. "People who challenge you, inspire you. You are the sum of the top five people you surround yourself with."

FIRST PASSION, THEN PRAGMATISM

Ann Makosinski, 22

Inventor

WHEN ANN MAKOSINSKI was a kid, her parents didn't shower her with toys or electronics. She's grateful. "If I wanted more toys, I was given a glue gun and told to make my own," she says. "If I wanted a toy house, I made it out of cardboard. If I had grown up owning a smartphone, I would be a very, very different person."

Today she's an inventor—one who, at 15, won the top prize for her age category at the Google Science Fair for her flashlight powered by the energy from a human hand. Makosinski is now repurposing that patented technology to create eco-conscious toys. "For me, an inventor is someone who has an idea and turns it into something tangible, and an entrepreneur takes that invention and turns it into something commercially viable," she says. "I enjoy the inventor aspect more, but I'm also playing the part of the entrepreneur, pitching to different companies. Success in business is not something you just wake up one morning and have. It takes years of hard work. But you must be passionate. The rest will follow."

PHOTOGRAPH COURTESY OF NATURE'S LABEL TEAM (MATHEW); PHOTOGRAPH COURTESY OF BLEST (LE); PHOTOGRAPH BY GIULLIAN YAO GIOIELLO (MAKOSINSKI)

HOW TO OWN A CULTURAL MOMENT: *WITH PERSONALITÉ*

YES WAY ROSÉ began life as a playful Instagram account. Now it's one of the buzziest wines in America. What happened? It's a case study in spotting the cultural moment before it explodes...and giving it a voice.

by STEPHANIE SCHOMER

Illustrator / ALEXANDER GLADIEN

→ GROWING A BRAND
Founders Nikki Huganir (*left*) and Erica Blumenthal visit a vineyard in the South of France last fall, just ahead of the grape harvest.

THE YEAR 2020 HAS BEEN A YEAR THAT DEMANDS WINE.

Erica Blumenthal and Nikki Huganir expected this. They didn't expect the *reason,* of course—the horrible stress, the terrible tragedies, interminable lockdowns. Instead, they were envisioning pool parties, summer getaways, and the other carefree activities that have lifted them toward the top of the summer's hottest wine category. Blumenthal and Huganir are the founders of Yes Way Rosé, a brand that was born out of a catchphrase on Instagram but whose silly name has led to serious sales: It's the no. 1 French canned wine, the no. 2 sparkling French rosé, and the no. 4 French rosé in America.

Back in March, just days before the nation spiraled into crisis, I visited them as they prepped for what was supposed to be a booming summer. It was 10 A.M. on a freezing morning, inside a photo studio in New York's garment district, and a photographer and a food stylist were on hand to make summertime marketing materials. They'd whipped up a punch that really did look delicious: watermelon juice, vodka, and, of course, Yes Way Rosé, in a bowl that deserved to be the centerpiece of a party.

The two founders toasted each other before glancing my way and becoming acutely aware of the morning hour. "We have to test the product to know that it's good," Huganir said coyly. The team on set laughed, then got to work. No one had any idea what was coming.

But as the world changed in the coming months, and many industries were shaken or destroyed, the alcohol industry held on and, in some cases, thrived. In-store sales across all alcohol categories were up 21 percent year over year across America, and online alcohol sales were up 234 percent. Yes Way Rosé's prominence held steady.

If you were being uncharitable, you could say that COVID-19 was just one more piece of dumb luck for a brand that's been made possible by 56,000 Instagram followers. Because the thing is, Yes Way Rosé never even set out to *become* a brand. It began as a joke, just three words repeated infinitely between two friends who spent years promoting other people's wine before ever thinking to make their own. Yes Way Rosé is a happy accident, you might think. A fluke of social media. But that view misses the point.

The real lesson of Yes Way Rosé is this: Sometimes the best way to build a business is to build a trusting audience. Relate to them. Become meaningful to them. Don't hawk products to them. And then listen, and let your communité show you the way.

Blumenthal and Huganir have a long history of shared obsessions. They met in high school in Baltimore and bonded over their love of *Beverly Hills, 90210* star Brian Austin Green. ("Everyone else had crushes on Brandon and Dillon, but we were all about David Silver," Blumenthal says. "He was an underdog!") After briefly losing touch in college, they reconnected when they both ended up living in New York and found that the easygoing rapport of their teen years transferred to young adulthood. They built careers in adjacent industries, Blumenthal as a fashion writer and editor, Huganir as a graphic designer, growing a shared network of friends and creatives in the city.

"Erica was invited to a lot of fashion events, and I was her permanent plus-one," Huganir says. These events are typically overflowing with free booze (one perk of underpaid creative jobs), but the duo was rarely enthused. "I wasn't that into drinking besides just having a drink in my hand when I was out," Huganir says. Blumenthal felt the same. "If you asked me what I wanted to drink, I'd labor over the decision," she says. "I just didn't know anything about spirits."

Then they discovered rosé. The light, crisp, easy-drinking wine had spent a decade or so as the summer drink of the summering class—popular in places like the Hamptons and Nantucket. By the time Blumenthal and Huganir found it in the late aughts, rosé was on its way to being a cultural marker. Much like cosmopolitans had defined evenings out in the '90s and early 2000s, rosé was becoming the drink of choice for 20-something women today.

"We couldn't believe how beautiful it was, or how much we loved drinking it," Blumenthal says. "We wanted to wear the color! It just cracked us up how much we liked it."

These are the moments that trend-hunters are paid to find—those things in the ether, just ready to be claimed and owned. Blumenthal and Huganir weren't thinking that strategically, but they instinctively went down the path. They developed a shorthand between them, with evenings out punctuated with wine-based jokes. *Rosé all day. Where there's a will, there's a rosé. Everything's coming up rosé. Clear eyes, full hearts, rosé.* Their friends joined in, regularly texting puns and pictures of their own pink-filled glasses to the rosé ringleaders.

"After a couple of years of obsession, I just felt this really strong force, like we *had* to do something productive with it," Blumenthal says. She pitched an Instagram account to Huganir, who agreed, so long as she could make it "look really good."

In 2013, @YesWayRosé was born, a mix of silly jokes and shots of the beverage against a sunset or a cityscape. "It was definitely lo-fi," Huganir says. "We'd post, like, a picture of Jennifer Lopez with her pink engagement ring," she says, as Blumenthal jumps in: "Jenny from the block with her rosé-colored rock!"

They were giving voice to the drink of their demographic. An audience started to build of people who, like them, loved rosé...and loved to love rosé.

They were also hitting upon a problem that has vexed the wine industry for years—because although this new audience loved rosé, it didn't really *know* much about rosé, and it didn't feel an affinity toward any particular brand. "We knew we were drawn to dry French rosés from Provence, and we also knew that all these old-fashioned labels with names you could never remember didn't speak to us," Blumenthal says. Silicon Valley Bank's 2020 State of the U.S. Wine Industry report echoes this more broadly: "Millennials don't trust the rich, are skeptical about inauthentic and opaque marketing, and don't care about your family's name on the bottle."

But as their following grew, the two friends felt they needed an education. "We wanted to really know what we were talking about," Blumenthal says. So they started hanging out at local wine stores, chatting with winemakers and sales reps. When they found a rosé they loved, they'd share it on Instagram. "We'd hear from those local

PHOTOGRAPHS BY SARA KERENS

→ ROSÉ ALL DAY
The founders, again in France, visiting the winemaking facilities where their rosé is produced in stainless steel tanks.

shops and winemakers that some of the wines we posted went viral and would really sell," Blumenthal says. "We were lifting the category."

This got them thinking. What if this Instagram joke of theirs was actually the seed of a brand? But if that was the case, then...a brand that sells *what*? "Having our own wine had really seemed unattainable to us—it felt like something you'd need to own a vineyard to do, which we did not," Blumenthal says. So to bring the project into the real world, they asked a friend to print 50 tote bags with the words YES WAY ROSÉ emblazoned on one side. They gave away most, sold a few, and used the money to order more. That cycle repeated itself until the tote was a sought-after accessory for in-the-know New York millennials.

Over the next two years, the friends brainstormed ways to go bigger. They still assumed it was impossible to launch their own wine and started to envision Yes Way Rosé as a lifestyle brand. "I wish we could say we had a grand plan," Huganir says. Instead, what they had was enthusiasm. They made sweatshirts and tees, and they turned their apartments into fulfillment centers. At an industry party, Blumenthal introduced herself to Tenoverten nail salon cofounder Nadine Abramcyk and suggested a collaboration; a Yes Way Rosé nail polish launched that summer.

In 2015, a partnership with the wine subscription service Club W (later rebranded as Winc) introduced a Yes Way Rosé–branded wine to the market—just 300 cases of Napa rosé that the startup had to spare. "We tasted it and liked it," Blumenthal says, so they agreed to put their branding on it. The wine sold out. The experience made the friends think differently about their future: Maybe they *could* create their own rosé after all.

The moment was ripe. In 2015, exports of rosé wines from the Provence region of France to the United States soared 74 percent in value over the year prior—and in a nod to its new ubiquity, Josh Ostrovsky, the internet celebrity known as the Fat Jew, launched a mocking wine called White Girl Rosé. (It would later be acquired by Anheuser-Busch InBev.) Meanwhile, *Vanity Fair* published an online story that summer titled "When Did Rosé, Like, Become a Thing?" and attributed the drink's modern boom in part to Yes Way Rosé's Instagram page. A few months later, *Wine Enthusiast* put Blumenthal and Huganir on the magazine's cover, a spotlight on "tastemakers influencing what you drink now." And most meaningfully to Yes Way Rosé's pop-culture-obsessed founders, they looked at Instagram one day in 2015 and saw a post from actress (and wine lover) Drew Barrymore, to whom they had no connection. "Having a glass of rosé and tipping my hat to my friends at @yeswayrose," it read.

"It was such a vote of confidence that she wanted to support us," Blumenthal says. The friends decided to go all in. By 2016, they'd quit their jobs. Their partnership with Club W produced one more release, this time selling 25,000 cases of wine they helped develop, rather than simply market. "It gave us confidence that we could have success with a namesake wine," Blumenthal says. It also gave them a mission: "We knew enough to do it ourselves."

It was time for Yes Way Rosé to actually become a rosé.

There are, roughly speaking, three ways to create a wine brand. You can own a vineyard—an option generally reserved for the ultra-rich and generations-deep wine families. You can white-label a wine—essentially slap your name on someone else's product, the way Yes Way Rosé originally did with Club W in 2015. Or you can create a constellation of partnerships—find a wine manufacturer that will create an exclusive blend, and various distributor and retailer partnerships that can help bring it to the masses.

Years ago, Blumenthal and Huganir had no idea that last option was possible. Now they imagined a unique French wine that was

accessible in price and availability, and they set out to make it. "We talked to a lot of different people, asking for advice on how to do this profitably, with control over what we're making," Huganir says. "We knew our strengths, and we knew that in order to have the wine be widely available, we'd need help with distribution," Blumenthal adds. "So let's find the way that lets us focus on what we're good at rather than what we're not good at."

They began with who they knew. They'd already been in touch with Target because they'd planned to pitch a line of lifestyle products. Now wine seemed like the bigger opportunity, so they asked their Target contact to connect them with the retailer's head of adult beverages.

That call was illuminating. "First, we learned that Target sells wine," Huganir says, laughing. "In 27 states! Just none that we've ever lived in." They also learned that Target might be interested—but that the first step wasn't really the retailer; it was the distributor and supplier. They walked away with a small Rolodex of companies who might be interested in working with a young brand with a built-in audience. One was Prestige Beverage Group, a Minnesota-based supplier that's been building adult-beverage brands since 1974.

Blumenthal and Huganir set up a meeting with Prestige's execs, and they came in with an assured vision.

"I had a mockup of the bottle, and it looked exactly like what it looks like on shelves today," Huganir says. "It was really important for us, in choosing a wine partner, to find a company that would trust us to know what we're doing with this brand and its voice, and to let us make the creative and marketing decisions."

Prestige liked what it saw and helped connect Blumenthal and Huganir with a winemaker in France. On their initial trip there in 2017—"a life highlight," Blumenthal says—the founders tasted 12 different blends, slowly narrowing it down until they and the winemakers all agreed upon what would become Yes Way Rosé's premiere product: a Grenache-Syrah blend with notes of strawberry, citrus, and

→ THE WINNING WINE In 2017, this photo was snapped just after Blumenthal and Huganir had selected the blend that would become Yes Way Rosé's debut product.

peach. Target officially signed on as a partner, and Yes Way Rosé hit shelves in 2018, priced at $12.99. The promotional photos were shot on Huganir's iPhone in a makeshift photo studio set up in the basement of a WeWork.

The brand's tagline: "The qualité rosé that doesn't take itself too seriouslé."

Celeste Norlin, Yes Way Rosé's national account manager at Johnson Brothers, their distribution partner that works with both Prestige and Target, says she sees many young brands stumble after this part. They get the product, they line up the retailer, and then… they overreach. "A lot of brands will strike when the iron is hot, launching eight varietals quickly to keep sales going," Norlin says. To Blumenthal and Huganir's great credit, she says, they played it differently. "They're launching products with intention and really thinking about who is purchasing their product."

In the two years since launching their debut wine, Yes Way Rosé has created just a handful of new products. Norlin explains them in the voice of the consumer. "Here's a rosé I can rely on as an everyday drink," she says. (That's the standard Yes Way Rosé.) "Sometimes I want to go out on the boat, and it'd be great to have my wine in a can." (They launched canned rosé.) "Today we're celebrating, and that calls for sparkling." (Now there's sparkling Yes Way Rosé.) And there are a few more. To move upscale, they created a premium Côtes de Provence blend. To compete with trendy canned hard seltzers, this summer they introduced canned fruity wine spritzes. All this meets Target's needs: By 2018, alcohol had become the retailer's fastest-growing food and drink category, and it's working to roll out the offering through even more locations. Of the Target stores that carry Yes Way Rosé, 95 percent carry every single item produced by the brand.

As the Yes Way Rosé founders think ahead, they now want to balance their ambitions with the patience to get there. "I think we're in a really good position to be the number one [in every category we sell in]," Huganir says. "But we have to make sure we don't try to take on more than we can handle."

Instagram is often known as the land of the influencer—the person whose brand is built around their face, and whose selfies are a perpetual product. Yes Way Rosé was different, of course: It was all about the voice and the wine, and Blumenthal and Huganir intentionally kept themselves in the background. There were no photos of them on the Instagram account in those early days; they wanted the voice they created to speak for itself.

But now they understand how they fit into the brand they've built. Their outsider status is something to celebrate—and something to relate to. "We didn't come from wine families," Blumenthal says. "The traditional ways of getting into wine? We are very much *not* a part of that. And we want people to connect to that, and be inspired to try to tap into something that might seem completely unattainable. We worked and backed into where we were until it *did* seem attainable."

To this day, they are Yes Way Rosé's only full-time employees, and they share ownership 50-50. Their partnership is the kind that can communicate effectively with a single look, and that best-friend shorthand is a powerful tool they've come to rely on.

"There are a couple ways we make decisions, but one of them is that if we're not aligned, we don't do it," Huganir says.

As the brand has reached new heights in the past two years, the women have started grappling with the mounting responsibilities. Just as they knew they'd need distribution help to launch a national beverage, they're now identifying what they're going to need to take Yes Way Rosé to the next level. Managing a rotating team of project-based freelancers, being the voice of the brand, *and* running the business is starting to feel like too much for two humans.

That's why, back when I visited them at that photo studio in March, they were excited to start working with a digital agency to help them grow their marketing efforts. "We have been very blessed with free advertising, but we can't stay within our Instagram bubble," Blumenthal says. "We have all this incredible content and art, and we aren't putting the money behind what we've created as much as we should be, or reaching as many people. And we need to reach as many people as possible, because the wine is in every state—and parts of Canada."

In mid-March, they put an immediate freeze on 30 percent of their marketing budget to protect themselves against the coronavirus crisis. They'd been looking forward to having more support in 2020 but found themselves relying on their own skill sets more than ever to get two new products—the Côtes de Provence wine and the canned spritzes—out into the world.

"I art directed my first remote photo shoot over Google," Huganir says. "We just had to figure it out, how to get photography and get this launch ready."

More change—and more firsts—are undoubtedly ahead. Blumenthal had been thinking about moving to Los Angeles, and COVID-19's presence in New York accelerated those plans. That means the cofounders are now bicoastal, and they're not entirely sure how that will impact their work. But no matter what, they feel secure knowing their guiding force is unshakable. Their brand isn't about a product; it's about an idea that sparked a community, and a cultural moment they defined themselves.

"We know our customer; we are our customer," Huganir says. "We're speaking to them and creating what we would want."

"Had we rushed into it," Blumenthal continues, "we wouldn't be as strong." E

Stephanie Schomer is Entrepreneur*'s deputy editor.*

There is Beauty in These Dark Times

I have suffered, both personally and as an entrepreneur. I have been the target of racism and nastiness. But I have also learned to see hopefulness—because these are not just times of darkness. They're times to make things better.

by Beatrice Dixon

It's a beautiful time to be alive. That's not how most people talk about 2020, but beauty doesn't just apply to easy, tranquil moments of peace and happiness. Beauty also lives in the dismantling of falsehoods, the disruption of fallacies, and the destruction of systems. The three pandemics of 2020—COVID-19, an economic downturn, and police brutality and injustice toward African Americans—have been the perfect chain of events to wake up our world.

I have been impacted by the ugliness. But I insist on seeing beauty.

Before it became clear that this would be a year of powerful change for all of us, we knew it would bring powerful change for my company, The Honey Pot. Our plant-based feminine care products are carried in Target, and in late 2019, the retailer asked if I'd participate in a commercial for its supplier diversity initiative, tied to Black History Month and Women's History Month. (I fit right in: I am a Black woman.) It was an amazing opportunity, and I eagerly agreed. In the commercial we filmed, I said that as a CEO, I wanted to be an example to other young Black girls, to show them that they can accomplish anything. The sky is truly the limit.

As soon as the ad aired in February, The Honey Pot started receiving derogatory emails and DMs from people who had some crude things to say about race and race relations. We didn't pay them any attention at first—we figured there would be some naysayers who'd be triggered by such a commercial.

But when one of our loyal customers discovered a series of one-star Honey Pot reviews on TrustPilot.com—which were highly inflammatory and accused us of racism—it was plain as day that these naysayers wanted to bring The Honey Pot down.

Here's the funny thing: It did the opposite. That customer who discovered the reviews posted about them on Twitter and Instagram, and within 24 hours, everything went viral—and we received a bigger outpouring of love, support, and protection than we could have imagined. It was absolutely incredible.

I'm often asked whether or not I took offense to what those anonymous reviewers wrote about my business. But when I think about that moment, I feel lucky. On one side, people were trying to hurt me and my company. But on the other, stronger side, people were lifting us up and coming to our defense. It felt harmonious, and I found myself in a place of love and determination. I realized that I know exactly who I am as a person and a business owner. I can stand with confidence in that space.

This is the consistent lesson of my life: We have the power to transform tragedy into positivity. I first learned it the moment I was born, when I nearly died.

HERE. NOW. GRATEFUL. PRESENT. These are words I use frequently. I'm 37 years old, and when I look back on my life, it's been a roller-coaster ride, both personally and professionally. But it's one that has repeatedly taught me to move through life with intention and gratitude, no matter what the world throws my way.

To start at the beginning: When I was born in 1982, I didn't have a forehead, or a nose, and my brain was exposed. The doctors had to construct these parts of my face, and thanks to their skill and my mother's deep commitment to me, I was given the chance to live a healthy life.

And I did, until I was 12 years old. One day, sitting in front of the television, my body started to feel strange and unfamiliar. I was having a stroke. After a scary week that came with multiple, unexplained seizures, I had a complete recovery.

Despite these scares, my mother never treated me as fragile or delicate. She spoiled me with attention and care, and demonstrated unconditional love. That love came with extreme discipline from a young age. When I was 15, she taught me to stand on my own two feet. I, like many teenagers, wanted to get my driving permit. (I needed some independence!) She allowed it but said that I would have to pay for driving school. So I got a job at McDonald's, and I quickly found my own sense of strength and resolve.

If I ever lost sight of these lessons, she'd quickly remind me: "No one can be responsible for your life or happiness but you. Time should be respected and revered. Don't waste it being unhappy."

That thinking has served me well. And in fact, my next medical scare inspired my career.

It happened when I was 29. I spent a year struggling with bacterial vaginosis, visiting doctors and being prescribed various unsuccessful antibiotics. In a vivid dream, my grandmother visited me and handed me a piece of paper with a list of ingredients on it. When I woke up, I got to work. I gathered those ingredients and made a natural wash. The formula saved my vaginal health—and opened up my entire world. In 2014, I created The Honey Pot, to help other women with similar problems. That formula is now our popular Normal Wash.

Over the past six years, we've built a very small but strong team, one where each person wears many hats. This forces us to push ourselves and expand beyond what's expected. We're agile and resourceful, and we've got a lot of grit and tenacity. I'm proud to work with these humans. Our Honey Pot family embodies the very characteristics that my mother worked so hard to instill within me. And this year especially, that's been a very good thing.

AS A BLACK, FEMALE BUSINESS OWNER, I have been approached with racism and sexism on more than one occasion. In those moments, it's hard not to absorb that negative energy. It's hard not to get offended. It's hard not to lash out. But after years of personal work (which helped me stay calm throughout this year's Target situation), I've learned to choose. I can choose which energies to engage with. I can choose how to respond. And I can, and always will, choose myself.

Over the past few decades, we've seen a collective awakening of human consciousness, and more people are coming together to choose to create new ideals for how we live. Whether we're peacefully protesting or expressing rage in fiery, resistance-fueled riots, humans are out there fighting for something better. We have to put heat on 2020's pandemics—to let out the pus, and to move forward together as a changed world.

We're experiencing the here and now in a remarkable way. Don't fight the waves of change that are crashing over all of us.

For me, part of choosing myself has been about overcoming my fears, many of which we're facing this year. I'm no longer asking for permission to belong to a nation that doles out racism and brutality with ease, all the while struggling to admit its faults and repair its wrongdoings. My ancestors were brought to this country against their will hundreds of years ago. So I'm taking up my own form of reparations through peace and equality within myself—and I will take my place wherever I choose, as a human, a woman, and an entrepreneur. I'm choosing to see every moment as a gift: life, death, joy, pain, all of the above.

That's not to say I'm perfect, or that I'm at perfect peace. I have my moments—of fear, of anger—but I work hard to get through them swiftly, move through the chaos, and get back to the calmer side of life, where I prefer to exist and thrive.

We're all experiencing the here and now in a raw and remarkable way. Don't fight the waves of change that are crashing over all of us. Times like these are proof that we're alive, and they expose control as an illusion. Find the lessons—and make life work for you. There's so much beauty to create. E

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INITIALS

How to Win Friends and Influencer People

SHAUN NEFF builds the hottest brands for the hottest people, including Kendall Jenner, Shay Mitchell, and Millie Bobby Brown. His secret to creating a hit: It's all about the vibe.

by REID MITENBULER

Early in his career, Shaun Neff carried around gold business cards that read SHAUN NEFF, BOSS MAN. People weren't always sure how to interpret this. Was it braggadocio? A joke? They would half smirk and reply, "Oh, a *gold card*," Neff says, imitating the reaction many people had. But the gold card wasn't an ego thing, and critics didn't necessarily see what was driving the young entrepreneur. "My *favorite* inspiration ever is Willy Wonka," Neff explains. The card symbolized fun—it was the golden ticket.

Nearly two decades later, Neff is definitely having fun. He's an avid surfer, his vibe is casual, and he often sprinkles his language with words like *dude, gnarly*, and *rad*. But underneath the relaxed appearance is a shrewd marketing guru, a guy with entrepreneurial hustle and a highly analytical mind working overtime to make sense of complicated trends. His process has ended up making a lot of money for a lot of people, earning him the nickname "the Brand Whisperer."

One of his latest ventures is Beach House Group in El Segundo, Calif., a company that incubates celebrity-driven brands such as Moon, a line of oral care products created with Kendall Jenner; Florence by Mills, a beauty collection with Millie Bobby Brown; Tracee Ellis Ross's hair care company; and Shay Mitchell's Béis travel gear. The company's full portfolio, before the pandemic hit, was estimated to generate more than $120 million in sales this year, driven almost entirely by products created since Neff joined the company in 2016.

But that success isn't a case of lightning striking for the first time. It's more like the third or fourth time—a pattern that begins to turn heads. Neff has built his reputation by navigating the fickle and arbitrary world of youth culture—a mercurial demographic if there ever was one. At 41, he's been doing this for nearly half his life, accumulating an invaluable set of lessons about how to navigate markets that are in constant flux from dramatic changes in technology, social media, culture, and now a racial justice movement and a deadly virus. But the guiding principle is still the same: A brand is about emotion. You have to make people *feel*.

Most children like a brand's products. Neff, however, was attracted to the deeper psychological components of their advertising campaigns. "That's kind of where the initial entrepreneurial bug came from," he says. Even as a kid, he'd ask himself, *Why am I jonesing so bad to try to be a part of this brand? Why am I just so bought into everything that they're putting out?*

One of Neff's earliest epiphanies came during junior high school, when he first saw the classic Nike advertisements featuring basketball player Michael Jordan and filmmaker Spike Lee. Jordan was an icon, but as anyone who has seen *The Last Dance* knows, he also possessed an intense (and pathologically competitive) personality that can be difficult for mere mortals to connect with. Spike Lee helped soften Jordan's persona and gave him a hipness he didn't naturally have. "I was like, *Someone's so smart, because Spike is so rad and steezy looking—the glasses, the hat flipped up,*" Neff remembers. "Those two being on the same spot together made Michael so much cooler, right?"

The insight sparked his curiosity about how brands build followings. By high school, he knew he wanted to own a lifestyle brand around his passions—surf, skate, and snow sports—that would draw fans. Then, as a freshman studying marketing and advertising at Brigham Young University, he decided, *I'm just going to do it* and printed his last name on some 30 shirts. "Wanna buy a T-shirt?" he'd ask random classmates. "People were like, 'Yo, dude, I'm just trying to leave math class.'" When his professional snowboarder friends told him they couldn't wear his shirts because of sponsorships with brands like Quicksilver and Burton, he had an idea.

"I've never seen a deal," he told them. "Can I read yours?" They showed him their contracts. And that's how he discovered a loophole.

The paperwork said nothing about headwear—surprising, Neff thought, because a professional athlete's head is frequently on camera, especially if they're standing on the winner's podium.

Knowing nothing about headwear, Neff took the $30 in his pocket and purchased as many beanies and headbands as he could from a 99-cent store. Then he scrawled his name across them with a Sharpie and handed them out to his pro snowboarder buddies at an Olympics prequalifying event in Park City, Utah. "Dude, you can rock this," he told them.

The athletes looked to their agents for approval: "Can I rock this?" According to Neff, the agents replied, "Uh, I mean, Neff has a point, but you know all your companies are going to be mad. It's up to you."

Some of the athletes agreed, and later ended up on the winner's podium. That's when the brand "got its first hurrah," recalls Neff, who launched Neff Headwear in 2002. Much of its success was due to his friendship with the pros, but he also acknowledges the role played by an aspect of snowboarder culture that scorns corporate influence, even if it's paying your bills. "That definitely was part of the appeal," he says—his headwear's appropriation felt like a fun yet harmless prank. What snowboarder, decked out in his corporate threads but wanting to keep it real, would turn down a chance to join in the fun? Especially if it came with no real financial penalty and helped support a friend from the scene?

Neff soon had a roster of about 25 of the biggest snowboarders in the world. "I wasn't paying them anything…I was just slinging them beanies," Neff says. "It kind of got around that if you got on Neff, you were a part of the cool crew in snowboarding. And I think that was massive."

Neff was also giving the beanie look a unique spin. "No one was selling a neon pink, one-off, handmade beanie," he says. Roy Thorsen, who became the company's COO in 2008, points out that many schools at that time were cracking down on kids wearing ball caps, partly because of their possible gang affiliations, which helped make Neff Headwear a popular alternative. "The beanie became this new fashion item," Thorsen says. "Shaun timed it perfectly."

Over the next four years, Neff Headwear expanded into apparel and accessories, with sales growing from roughly $5 million a year

PHOTOGRAPHS COURTESY OF SHAUN NEFF

1995
NASCAR
Winston Cup
Champion
MOON
MOON

to about $30 million a year. In 2012, the company pulled in about $100 million in retail revenues, according to Thorsen. The company's rise, which Neff gives Thorsen much credit for, wasn't without missteps, however. Neff was traveling in South America when he spotted a pair of boots. "Like an Ugg, but they were knitted, almost like a beanie," he says. "I was like, *Whoa, those are dope.*" While it's hard to imagine anyone having that reaction to a knitted boot, this was around the same time that Uggs were at peak popularity. Neff found a manufacturer and created a new brand called Ffen. "Neff backwards, which was not a good idea," he now admits. Shortly after launching, Ffen cratered. "For years I was giving away knitted boots," he says.

What he gained, however, was a lesson: Time out—stay focused on Neff. He now tells protégés that their first business venture "can't be more than one thing. You've got to be all in." Back then, Neff refocused his efforts on scaling up his core company. A relentless networker, he began leveraging his success to gain access to parties and events where he knew there'd be certain celebrities with appeal in the wider popular culture. Contracts were eventually signed with talents like Snoop Dogg, Wiz Khalifa, Scarlett Johansson, Deadmau5, and Kate Upton. By 2017, Neff Headwear had gained distribution in 72 countries and had overall retail revenues approaching half a billion dollars.

But Neff also knew that the snow, surf, and skate space was still only a niche area. He was missing out on broader opportunities. That same year, he sold Neff Headwear to the licensed apparel wholesaler Mad Engine for an undisclosed amount. He stayed on as chief creative officer but, unshackled from day-to-day duties, had room to broaden his horizons. So what next?

→ THE GOLD TICKET Neff partners closely with Beach House's celebrities like Kendall Jenner (*pictured*) to work that vibe and create a winner.

When you're good at building a brand, people take notice. And PJ Brice was taking notice. Back around the time Neff sold his company, Brice was the CEO of an incubator called Beach House Group. It was an under-the-radar operation that primarily supplied private label products to Target and changed its name a few times. But Brice had bigger ambitions, and his friends kept telling him to talk to Neff. "You need to meet this guy; he's a creative genius," they'd say. A meeting was arranged, and the two agreed to partner up. Neff would get a cofounder title, and they'd shift Beach House's business model. "We had the established infrastructure to be a safe haven for him to come and play and create," Brice says.

The new goal: It would build brands that resonate—fast.

Neff's plan was to partner with celebrities, which sounds like a no-brainer. Famous people have little trouble getting press and a built-in reputation to trade off of. But the world is also littered with failed celebrity-backed businesses, from Britney Spears' Nyla Restaurant to Mandy Moore's Mblem clothing. Even part-owners Bruce Willis and Sylvester Stallone couldn't save Planet Hollywood.

What's missing in all that, Neff believes, is the same thing any business needs, regardless of its founder: It needs genuineness. Neff is extremely selective about whom he partners with. He won't simply slap a celebrity's name on a product. He looks for enthusiastic collaborators who are a natural, organic fit for the brand. Even with a celebrity, the *brand* has to come first. It is, after all, the thing consumers really interact with.

For this reason, Neff often starts with the product, a marketplace, or even just a sensibility. He constantly scans for inspiration—in art galleries, murals, fonts on a menu, subcultures on social media, his kids' coloring books. He obsessively notes details, gut-checking what resonates and what doesn't. Instead of chasing trends that have already gained traction and then riding their coattails, Neff tries to create entirely new ones. He has a hard time articulating exactly how he does this; he says he'll get into a "zone" where his mind blanks

"The oral care aisle was the ugliest aisle on the floor. No company had made oral care part of the beauty regimen."

out—surfing the waves or running on the treadmill, music pumped, staring at a white wall and thinking, *All right, OK...what's an industry I want to try to come in and shake up?*

Often he just wanders through stores, looking at the shelves. That's where the idea for Moon came from. "The oral care aisle was just the ugliest aisle on the floor," he says, referring to a section of the pharmacy that, since the dawn of time, has contained "the same big blue and green bottles I've seen my whole life, and the same color toothpaste. No company had really taken oral care and made it part of the beauty regimen." So he approached Kendall Jenner about partnering on a line of products that would create a new market niche, one that Neff felt already had customers waiting for it.

This is different work from what he'd done before, where his brand was built off his own personality. To make these new brands work, Neff says he is constantly staying aware of who he is...and isn't. "Make sure you hire people who are your consumer—that age demo that understands what's poppin' on TikTok," he says, for example. He also emphasizes the value of developing close relationships with your partners, celebrity or otherwise, which can give you insight to customer groups you aren't necessarily a part of. To understand the yearnings of teenage girls, he spends time with 16-year-old Millie Bobby Brown (she plays Eleven on Netflix's *Stranger Things*), who has nearly 34 million Instagram followers and launched a beauty company with Beach House. As they work together, Neff closely observes how she interacts with people, what she says, and what trends excite her—all things he'll later integrate into evolving the brand.

Meanwhile, when Neff has an idea that's squarely in his own wheelhouse, he tackles it himself. That's how he got involved in Sun Bum, a small sunscreen company he invested in. The relationship began when he asked himself, *Is there a brand on the market today in the sunscreen category with a logo a consumer would take and go put on their car or surfboard?* The answer was no, so he decided to seize the opportunity—and as a result, last year, Sun Bum was acquired by SC Johnson in a deal that was reported to be around $400 million.

These days, he's involved in Orro, a protein-based meal replacement beverage that launched in July, which aligns with his ideas about putting good products into the world. Most exciting to him, though, he is partnering with professional surfers Cheyne Magnusson and Kalani Robb to open a state-of-the-art surf park called the Palm Springs Surf Club. So far they've been doing test runs, with plans to go live in 2021. "I'm just going, *I love surfing so much. Holy cow; I could go jump in the car with my boys and rip out and go surf for a couple of hours at any time?* Like, oh my God, this is the best investment ever." Pure fun. Which was always the point.

But there was a time when he'd forgotten that.

A few years into his beanie company, Neff lost his way. He enjoyed working intensely, hands in everything, but for an entire decade, he hadn't gone on a vacation longer than three or four days. When he did, his family would be playing on some beach while he was stressing out about events back at the office. He'd done the thing everyone warns about: If you turn your passion into work, you might lose your passion.

Then he had an encounter that changed everything.

He was at the home of Larry H. Miller, the Utah businessman who owned the Utah Jazz basketball team and a slew of other enterprises. The house was perched atop a hill overlooking Salt Lake City. Neff asked him, "How does it feel to just sit at breakfast and look out at this city and know that your team plays there, and that's your movie theater, and that's where you sell cars? Wild, right?"

But Miller just shrugged. "Well, look at me now," he replied, pointing to a leg he lost from diabetes because he failed to take care of it properly. He had spent his whole career in overdrive, micromanaging everyone around him until his health was gone. "I had amazing people around me my whole life," Miller said, regretting that he hadn't let them take more responsibility and lighten his burden. "You have to enjoy life. You have to have balance," he said. Miller passed away in 2009, at age 64.

The comment "blew my mind," Neff recalls. He realized that he was making the same mistakes. Right then, he started delegating, putting more trust in the people around him, letting people spread their wings and fly. Neff Headwear grew as a result, benefiting from changes implemented by its new COO, Roy Thorsen. If Neff could give his younger self some guidance, he would recommend being much more appreciative of everyone around him. When business is peaking and you're having your moment, he says, "it's easy to think you know a lot." But others often know more. As obvious as that advice sounds, Neff can't emphasize its importance enough.

These days, Neff is relying again on that good advice. As the world changes, he is staying alert to what consumers need—and what messages no longer resonate. Back in March, I joined a conference call with his Beach House team, where Neff was urging caution in how they marketed. "Gotta be careful," he told everyone; an insensitive post from one of the influencers they work with, or photos showing crowds of people, could quickly spiral into a PR crisis. He urged a tone "less about selling stuff" and more about "letting people know we're here." It would be a wise strategy: When I checked back in June, he said sales of Beach House Group products online were up 300 percent for the year—a good sign considering everything going on.

The pandemic has forced Neff to make changes in himself, too. Working remotely has made him realize how much time he used to waste in airports, traveling to meetings that might last only an hour. He has been more efficient and is enjoying spending the extra time with his family. Neff also mentions he is particularly stoked about hanging out with his sons at the new surf park next year. "It's fun," he says, speaking about why he does what he does, as if nothing has changed from the days of handing out those gold business cards. "I love it." E

Reid Mitenbuler is the author of Bourbon Empire: The Past and Future of America's Whiskey *and the forthcoming* Wild Minds: The Artists and Rivalries That Inspired the Golden Age of Animation.

STOP TALKING ABOUT Empathy AND START ACTING ON IT

Illustrations / ALEXANDER GLANDIEN

Consumers say they prefer buying from empathetic brands. Employees say they want to work for empathetic brands. Companies put "empathy" high up on their list of values. So why aren't we seeing more empathy?

by **ERIC SOLOMON**

During my last full-time job as an executive leader, my colleagues and I were asked to stand in front of the entire company and talk about which of the organization's corporate values resonated with us the most. Our choices: self-awareness, positive energy, judgment, intellectual honesty, and empathy. These values, along with others like integrity, courage, passion, and fun, might look familiar. They're the list of company values taped up in corner offices and corridors around the world, even if most employees never know they exist.

"Empathy," said the woman two seats down from me. "Because people say I'm good at connecting with other people." Several nods from the crowd of supportive employees. "Empathy," said the guy next to her, one seat down from me. "I care about other people, and do my best to treat them as I want to be treated." More nods, and a few spontaneous claps. "Intellectual honesty," I said. "Because I'm pretty good at cutting through the bullshit." I got a few smiles and nervous laughs but was mostly met with bewildered silence. I think I was supposed to say "empathy," but I couldn't bring myself to do it. As a branding and leadership executive, with a background as an academic psychologist, maybe I knew a little too much about what the word *empathy* means. Or, rather, how it can mean so many different things—yet absolutely nothing—at the same time.

For a word that didn't exist in the English language until the 20th century, *empathy* has emerged as a linguistic superstar. Since 2004, Google searches for the word have risen steadily, with frequency more than doubling over the past decade alone. With the explosion of the global coronavirus pandemic—along with escalated racial tensions—*empathy* has embedded itself in the public discourse, often with reference to which political leaders have demonstrated it and which have not.

Outside the political ring, corporations, big and small, have become downright *obsessed* with empathy. Some leaders, like Microsoft CEO Satya Nadella, have a long track record of touting empathy as a central guiding force. "There is no way we are going to be able to succeed...if we don't have a deep sense of empathy," he has said. More recently, multiple news organizations heralded Airbnb's CEO Brian Chesky as empathetic for the way in which he communicated staff layoffs due to COVID-19. "I have a deep feeling of love for all of you," he wrote in an internal company memo. Leaders understand that this is good for business. A recent poll from Ipsos (on behalf of PepsiCo Beverages North America) reports that how brands respond to the coronavirus pandemic will impact shopping intentions of more than half of Americans, and that Americans see it as more important now for businesses "to demonstrate empathetic qualities."

This all makes intuitive sense. Like puppies and rainbows, empathy is one of those things that seem like a pure, absolute positive. As professor Paul Bloom jokes in his book *Against Empathy,* "You can never be too rich or too thin...or too empathetic." From my perspec-

tive, though, too much is lacking from this empathy discourse. As I felt when I stood in front of that room to talk about my favorite corporate value, I still don't know exactly what everyone is talking about. Empathy sounds good, but how are we defining it? Empathy is ubiquitous, but are all businesses talking about the same thing? Does being an empathetic organization mean taking an *action* of some kind, or just having feelings?

In the corporate world, answers to these questions are hard to find. While empathy increasingly appears as a part of companies' mission statements, hardly any define what they actually mean by it. The overriding assumption is that the word simply speaks for itself. (Spoiler alert: It doesn't.) The issue with companies touting empathetic messages is that while it's easy to *talk* about doing good things for employees and customers, it is far more difficult to generate and sustain positive corporate *behaviors*. In the past, organizations might have gotten a pass, or even praise, for communicating empathetic messages internally and to the public. But set against the backdrop of uncertainty about the future of business, and of life in general, people are taking notice of how companies' messages match up with their actions.

There is a tremendous amount of collective anxiety about what our individual futures hold. Some authors have pointed out that this particular period of time may be bringing up feelings of grief and trauma at scale. At a time when most of us are thinking about roughly the same things and having many of the same conversations, the concept of widespread empathy is imperative. So it is no surprise that businesses, as part of our cultural fabric, are striving to be part of the conversation. Most of them use social media channels to tell us that they care about us as employees and customers, and that they are there for all of us during times of crisis. But often those messages are unsubstantiated, and the intentions behind them are frequently muddied.

What is becoming clear is that the risk of companies simply talking about empathy without translating those words to measurable, tangible outcomes can result in catastrophe. Study after study has shown that employees, especially younger ones, will quit to work for companies that better align with their personal values. And, similarly, customers are more than happy to spend their money elsewhere, choosing to align with organizations that are willing to walk the walk, not just talk the talk.

Empathy might be one of the most popular topics of scientific inquiry of our time. Within the past decade, Google Scholar—which indexes the full text or metadata of scholarly literature across formats and disciplines—gives nearly 600,000 citations for just the term *empathy*. Most of the academic curiosity around empathy focuses on exactly what it is and, correspondingly, how to measure it.

In their effort to make sense of the scientific characterization of empathy, social psychologist Judith Hall and research scientist Rachel Schwartz published an article in 2019 that analyzed the state of the concept across nearly 500 independent studies. What they concluded is that often the word *empathy* should be bypassed altogether because there is widespread disagreement about what it means. Instead, they argue, people should refer to what they are actually talking about, be it feeling another's feelings, reading their emotional cues, caring about others' distress, listening to their stories, or any of the other various elements that make up the empathy laundry list. "Our point was not to find fault," write Hall and Schwartz, "but to illustrate the many ways authors attempt to deal with a construct that is essentially intractable. The challenge to theory is compounded by the fact that empathy is alternatively treated as a process, a trait, a capacity or competency, a response or reaction to observing another's experiences, and interpersonal behavior itself." In other words, the research overwhelmingly shows that it's dangerous to assume that we know exactly what anyone is talking about when they talk about empathy.

The business world is hardly clarifying things. The word is applied liberally to what companies are saying and doing, especially as we all continue to grapple with the ambiguity that lies ahead.

Companies are blasting messages about caring about each other during uncertain times, with the common refrain that "we're here for you" and that, above all, "we are in this together!" In response to the senseless police murder of George Floyd, along with many more, other companies are following similar templates to talk about how they "stand in solidarity," "stand up against racism," and "show support for the Black community." In a viral tweet, video game writer Chris Franklin poked fun at the deep uniformity of brand messages:

> "We at [Brand] are committed to fighting injustice by posting images to Twitter that express our commitment to fighting injustice. To that end, we offer this solemn white-on-black .jpeg that expresses vague solidarity with the Black community, but will quietly elide the specifics of what is wrong, what needs to change, or in what ways we will do anything about it...We hope this action encourages you to view [Brand] positively without, you know, expecting anything from us."

Within a few minutes of spotting that tweet, I saw another from CBS telling me that they "stand in solidarity with our Black colleagues, creators, partners, and audiences and condemn all acts of racism, discrimination, and senseless acts of violence." And another from Pixar letting me know that they "stand for inclusion." Fantastic. But what does it *mean*?

Don't get me wrong; some companies *are* doing more. Several organizations have committed to donating real money to fuel the fight against injustice. Walmart, as one example, announced that it will contribute $100 million over five years to create a new center for racial equity. Others, like Ben & Jerry's, created useful resources for employees and consumers to get involved with political movements. This is progress. Still, the vast majority of organizations seem satisfied with lip service alone—and they do so at their own peril.

This is not the first time that corporations have found themselves in this position. The term *greenwashing* emerged in 1986, back when consumers first began gravitating toward environmentally friendly companies. The term described an organization that spends more time and money on marketing itself as eco-conscious than it actually works to minimize its environmental impact. Mega conglomerate Nestlé, for example, has faced wide-scale criticism—and a growing pile of expensive lawsuits—for contributing to human rights violations and global plastic pollution. Yet the company has spent millions marketing itself as creating positive impact and "shared value," without sufficiently addressing its core business practices.

Similarly, we're now seeing a version of this we can call *kindwashing*: It's when an organization spends more time and money on marketing itself as empathetic than it does on minimizing practices that alienate or take advantage of employees and consumers. And in a strange way, the word *empathy* enables this because it is so ill-defined. If nobody can pin down exactly what the word means or what it looks like, then businesses don't have to worry about managing employee or consumer expectations. Words and actions are left up to interpretation.

But people are watching, and a gulf is growing between corporate leaders and the people who make businesses run. For the past five

years, the corporate benefits company Businessolver has released annual reports on the state of workplace empathy. Results from its 2020 study point to a notable trend: While 91 percent of CEOs say that their organizations are empathetic, only 68 percent of employees agree. Meanwhile, employees are clear about where their priorities lie: In 2020, 74 percent of employees said they would work longer hours for an empathetic employer, and 80 percent said they would switch companies for equal pay if the employer were more empathetic. More than half of people (57 percent) said they'd even switch for less pay at another, more empathetic company.

Businessolver's authors skirt around clear definitions of what they mean by *empathy*—it is, after all, such a slippery word. But employees are clearly recognizing the absence of it. Within the past year alone, several high-profile companies—from WeWork and Away to Outdoor Voices and Pinterest—have endured employee outrage and worker attrition due to unempathetic business practices that contribute to work environments that have frequently been described as toxic.

The message to organizational leaders is that they need to invest more care and effort to engage their employees. This makes good business sense because research shows that taking care of employees is a necessary precondition for building and sustaining a *customer*-first culture. That can't happen until leaders commit to defining what empathy means to them, and how that leads to specific, observable actions.

This is what it means to stop kindwashing, and to start being kind.

Throughout the global pandemic and the escalating Black Lives Matter movement, we have heard from hundreds of companies expressing empathy across every known medium. For the most part, though, organizations are *reacting*—perhaps because they feel compelled to, but perhaps also because "empathy" (of any definition!) isn't an honest part of their core. Without a clear understanding of who they are or why they exist, business leaders' words will always ring hollow, and their operations will become disorganized and ad hoc. A crisis will only magnify those problems.

How does an organization fix this? It doesn't react to the moment. It looks deeply inward.

Organizations need to build and install what I call a human operating system. In technology, an operating system (OS) supports basic functions that enable more complex tasks to happen. Without iOS or Android, we can't play Candy Crush. Similarly, a human OS serves as the structural glue that encodes how values like empathy propagate through all organizational operations, from internal behaviors, processes, and communication to external messages and actions.

At the heart of a human OS is a core essence, a central idea. It's what that company or person is *about*—and it's critical for flawless execution at all levels, during a time of crisis or not. From that central idea, an operating system has space to grow. Building a human OS fortifies the connective thread from that core to an organization's vision, mission, and values. This requires business leaders and their companies to commit to articulating a clear purpose and point of view that results in more than words in a presentation or on a corporate website.

After codifying these foundational elements, *installing* a human OS translates words into action, ensuring that every aspect of an organization's efforts is synchronized and consistent. Just as a technology operating system controls every part of a computer, a human OS drives business actions holistically—from hiring and performance management evaluation to programs, offerings, services, thought leadership, partnerships, customer experiences, brand expression, and external communications. Building and installing a human OS is what allows businesses and their leaders to align what they *say* they're going to do with what they *actually* do. This is a first step to putting a stop to kindwashing.

Organizations that talk about the concept of empathy typically do so because a senior leader in the company—usually the founder or the CEO—believes that caring about employees and customers is not mutually exclusive with making a profit. At the very least, that should be their ambition. So, a challenge to organizational leaders

PEOPLE ARE WATCHING, AND A GULF IS GROWING BETWEEN CORPORATE LEADERS AND THE PEOPLE WHO MAKE BUSINESSES RUN.

across companies of all sizes: If your HR or marketing team is going to express empathy as a company value, it is incumbent on a leader to *model* that behavior. This asks leaders to do the work of explicitly clarifying what empathy means to them, and then laying out specific actions that they're going to take for employees and customers to demonstrate their commitment to those actions.

In a recent LinkedIn article, for instance, H&R Block's president and CEO, Jeff Jones, responded to the Black Lives Matter movement on behalf of the senior leadership team, by pledging action. "This is much more than a moment—this is a movement," he wrote, and promised, among other fixes, to expand the company's hiring practices. I called him to ask about H&R Block's process, and he said it begins with an honest review of where the company has gaps. "Filling

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those gaps means going deep on where the issues are," he says, "and setting clear, specific goals. It's not political; it's about focusing on people, individuals." That last part is key. Jones is demonstrating that the best way to model behavior is to do what most of us were taught back in first grade: Listen. No, really. Listen.

Carl Rogers and Richard Farson coined the term *active listening* in 1957, writing that "active listening is an important way to bring about changes in people...[it] brings about changes in people's attitudes toward themselves and others; it also brings about changes in their basic values and personal philosophy." Hearing someone is easy; active listening is hard work. It requires our full mental capacity, so active listening is as draining as it is rewarding. Yet at a time when companies are confused about how to behave, it is important to remember something so simple, so basic. Active listening means paying deep and close attention to how employees and customers are doing. It means taking the deliberate time to understand how they might be feeling, and why they might be feeling that way. This isn't about investing shrinking budgets into big research studies. It's about taking the time required to understand what problem empathy is trying to solve before jumping to a presumed solution.

When massive cultural moments take hold, brands are quick to react, respond, and post. There almost seems to be a hidden, driving belief that moving the fastest will win the grand prize of higher employee retention and deeper customer loyalty. That's why we got all those "We're here for you" emails from brands we hadn't interacted with in years during the initial spread of COVID-19. The reality is that active listening requires deliberate time and effort. It means having difficult conversations with employees and customers. Intention, discussion, and commitment are all at the heart of what it means to engage in active listening for employees and consumers alike.

Not only that, but active listening is at the core of what it means to build, install, and activate a human OS for an organization or an organization's leader. News across the past several months has left behind a trail of cautionary tales. One is of Elon Musk, who repeatedly made decisions against the will of his employees. In one case, he reopened a California factory in defiance of local health officials. He said employees weren't obligated to return if they were uncomfortable, but two Tesla employees claimed they were fired when they chose not to return. Later, when Musk was uncharacteristically silent as the Black Lives Matter demonstrations began, Tesla employees threatened to stage a peaceful rally to commemorate Juneteenth. This prompted Musk to announce that Juneteenth "is henceforth considered a U.S. holiday at Tesla and SpaceX"—but unlike at major companies like Nike, Target, Adobe, Lyft, and Spotify, which simply gave employees the day off, Musk said his employees would have to take a vacation day to commemorate Juneteenth.

Musk is well-known for his eclectic views on a wide range of topics, but his actions as a leader are under scrutiny because he demonstrates a failure to *listen*—to healthcare experts, workers, and consumers. Musk may have conviction in his beliefs, but he's holding on to an outdated OS that clashes with employer and customer values because he is not taking the time to understand what other people are feeling. Failure to do this may or may not impact Tesla's financial performance, but it *will* result in more employees speaking out and leaving his companies for ones that better align to their personal values.

Compare Musk's leadership style with that of Kenneth Chenault, who served as the CEO and chairman of American Express until 2018. He was said to consult often with his teams, asking questions like: "Who is listening to you? How many people respect you?" His approach was similar with American Express customers; he'd often organize impromptu listening tours and engage with customer service teams to continually improve their work. This is what allowed him to demonstrate kindness and care through measurable, observable, outcome-driven actions—and the company thrived during his 17-year tenure as the company's leader.

Sometimes I reflect back on corporate life, and I think about that meeting where I was asked to explain my favorite company value.

THE BEST WAY TO MODEL BEHAVIOR IS TO DO WHAT MOST OF US WERE TAUGHT BACK IN FIRST GRADE: LISTEN. NO, REALLY. LISTEN.

If I had been given the proper time to think about it, I might have answered differently instead of trying to make an unmemorable joke. I might have said "empathy." Then, I might have gone on to say something like: "I'm going to say 'empathy' because I think it's really important. But I don't know—because I'm not sure what we really mean when we say it. I wonder if this would be a good time for us to define what empathy means to us, and then discuss how we're going to hold ourselves accountable to it."

That response may not have earned much empathy from my colleagues. But at least it would have come from a good place.

Eric Solomon is the founder of The Human OS, a consulting practice based in New York City.

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PHOTOGRAPHS COURTESY OF PAINTING WITH A TWIST

Finding Her Happy Place

Dee Clemmons was excited to open a Painting with a Twist franchise...and then the pandemic hit. She opened anyway, and still feels good. **by STEPHANIE SCHOMER**

→ PAINTING AT PEACE
Serial entrepreneur Clemmons found joy as a Painting with a Twist franchisee.

Dee Clemmons is never not working. The serial entrepreneur has spent nearly 30 years operating a combination of childcare facilities, a business consultancy, and a janitorial supplies company. And in 2016, she joined the Board of Commissioners in Henry County, Ga., where she recently won a reelection campaign. So last year, when her two daughters took her to Painting with a Twist on Mother's Day, Clemmons was shocked to find herself ignoring the outside world for two hours of escape. She put her phone down, focused on her painting and her kids, and had an experience she calls "magical." Before she left the studio, she'd googled the business to find out how she could get involved; one year later, she was ready to open her own location in McDonough, Ga. COVID-19 interrupted her opening, but she says it's still been one of her most rewarding entrepreneurial experiences yet.

You opened your studio on Mother's Day weekend this year. Was that always your plan?
I was ready to open in March, when the pandemic hit. And I was just tossed into a cyclone: All my businesses had to temporarily shut down, which was devastating, and I was in the middle of a reelection. It was rough, and it affected me mentally, physically, financially. But I'd come and sit in my Painting with a Twist studio, and I found my happy place. I researched, I read, I figured out how to adjust and reinvent.

What did those months leading up to May look like?
I used our platforms and social media to encourage people to stay safe and know that a better day was coming. And building my followers was key at that time, so that when we did open, we'd have that audience. Because I had already identified and hired talent for the studio, we started doing trainings via Zoom, so they could paint from the gallery and really gain experience with the art pieces. And then I realized: *Guess what? We can do virtual paint parties!* So we launched virtual paint parties on Mother's Day weekend, as well as socially distanced events in our studio with private groups.

How did the corporate office lend support during such an uncertain time?
I always say to my corporate operatives, my franchise fee was well worth the money. The resources and support I get from them have been really good. They've really set us up for success and streamlined processes for conducting business during this time, so even if we go back to a full shutdown, we'll be able to sustain our business.

Has it been nice to be a part of that community, rather than operating independently like with your other businesses?
I like sharing ideas—that's part of the public servant in me. And in a franchise, you're no longer solo. If I come up with an idea as an entrepreneur, it's no longer just my idea. It's shared with the masses. For example, because I own a janitorial supplies company—and 27 of my customers are medical facilities—I had masks, thermometers, disposable aprons. I've been able to educate and aid the other franchisees in my area to make sure we're doing temperature checks and offering hand sanitizer when customers walked through the door.

Have there been any surprises adjusting to that kind of business network?
You don't make decisions just for yourself. Everything has to be run through the franchise, and that's been new to me—I've never had to answer to anyone! I was asked to file a weekly labor report, and I was like, "Why do I have to do that? I don't have time to do that!" So there are internal processes that are new to me. But I haven't had a negative experience. I wanted to have access to the kind of team I have at corporate.

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The Steps to CEO

Loren Goodridge learned to lead in the military and learned what makes a business thrive as a Subway franchisee. Now, as CEO of coffee chain Aroma Joe's, he is bringing the two lessons together. **by JESSICA THOMAS**

Loren Goodridge is no stranger to hard work. After joining the Navy in 1984, he was recruited for the nuclear power program and underwent two years of intense training (which has a very high attrition rate). He spent the next six years on fast-attack and ballistic-missile submarines. He loved the work, but when his military career ended, issues of *Entrepreneur* inspired him to start a new adventure—in franchising. (Thanks for reading, Loren!) He became a Subway franchisee and eventually went on to help launch the coffee franchise Aroma Joe's, where he now serves as CEO. By fusing his military training with his on-the-ground franchisee experience, he has helped grow the New England–based chain from 17 locations to 69 across five states and expects to hit 400 locations nationwide by 2028.

Why did franchising appeal to you?
In the Navy, you go to sea for three or four months at a time, and while you're on the sub, you have nothing to do but read and work. I would take every business magazine I could. At the time, *Entrepreneur* ranked Subway and Mail Boxes Etc. as the No. 1 and No. 2 franchises. I really didn't care what business I did, but I was married and I wanted to be successful. So in 1992 I opened my first Subway. I eventually had almost 30, and still have 18.

How did your Subway experience lead to Aroma Joe's?
In 2012, I opened a Subway that was co-located with an Aroma Joe's coffee shop, and I became friends with the owners, who had grown the company to 13 locations. They asked me to be their first franchisee. I was very close to Subway cofounder Fred DeLuca, and he helped us get started with some of the legalities and became a part owner of Aroma Joe's. The company opened its first franchise location in September 2013. Now we've got 69.

What changed as you grew the brand as a franchise?
When I came on, Aroma Joe's was running a 41 percent cost of goods sold, and that was OK for them. But that doesn't work for a franchise model. We've since been able to lower our cost of goods sold to well below 30 percent by putting together purchasing cooperatives and negotiating contracts. For a franchise system, you also need very good cash and inventory control, so we created a custom point-of-sale system and new inventory controls.

Did your time as a franchisee prepare you for life as a franchisor?
Every decision I make as CEO I look at through the lens of a franchisee. I know that if my franchises aren't profitable, my company won't be profitable—or sustainable.

What were some of the lessons your naval career taught you when it came to franchising?
The Navy does a great job at teaching leadership skills. That's why former military personnel make such great franchisees. We try to teach our young franchisees and store managers to be good leaders. That can be lacking in the franchise industry, particularly the QSR world. We try to help millennials and Gen Zers advance by teaching them leadership skills, which don't come naturally. That's a skill you have to learn through experience.

PHOTOGRAPHS COURTESY OF AROMA JOE'S

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- Alex Ho
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What's It Like to OWN 2, 3, 34, 75, or 770 Franchises?

Owning multiple units means you have more support, opportunities, and resources—as well as more responsibilities, challenges, and complicated problems to solve. Five owners, who operate at very different scales, share their methods for success. **by STEPHANIE SCHOMER**

WHAT'S IT LIKE TO OWN 2 FRANCHISE TERRITORIES?

BIG CHALLENGE/ Building a team from scratch

→ BRIGHT FUTURE AHEAD Franchisee Evette Hunter (*left*) with her daughter, Aundrese Hunter.

PHOTOGRAPH COURTESY OF COLOR WORLD HOUSEPAINTING; PHOTOGRAPH COURTESY OF PIGTAILS & CREWCUTS

In January, Evette Hunter retired after serving 25 years in the Army. And in February, she became a franchisee with Color World Housepainting.

"I'd always wanted to be an entrepreneur," says Hunter, who learned about Color World through Boots to Business, an SBA training program that's part of the Department of Defense's Transition Assistance Program. "But I wanted something where I didn't need to reinvent the wheel, and this gave me the formula to be successful."

After just one month running a single territory for Color World—which operates in 15 states across the country—Hunter trusted the formula enough to expand to a second territory, and she now works across 50 zip codes in Georgia and South Carolina.

But as she works largely with contractors and subcontractors to complete various jobs, from house painting to power washing and gutter installation, this year has been a crash course in finding reliable talent. "I'm more about quality than quantity," Hunter says of the jobs she takes on. "But I'm finding that a lot of people want to do the work real fast and get paid."

To identify and retain the best talent, Hunter is open to offering individual contractors full-time employment after six months. "They know that possibility is there," she says. "And this gives me time to know they have my same work ethic."

For now, two territories is plenty as she builds her operation and team—but she sees more in the future. "The Color World team wants everyone to win; I ain't just a number," she says. "I want to give myself two years to get really comfortable with this business, and then hopefully we will expand further."

WHAT'S IT LIKE TO OWN 3 FRANCHISE LOCATIONS?

BIG CHALLENGE/ Adding new responsibilities

Years ago, when Jennifer Tribble took her 2-year-old son to get a haircut in Orlando, she experienced some dreadful customer service. "Two stylists got in an argument about who 'had' to cut the kid's hair," she recalls. "[I thought], This is your pride and joy, not a burden! In the land of Disney, why is there no great place for kids to get a haircut?"

That bad haircut gave her an idea—and in 2013, she opened her first Pigtails & Crewcuts salon, a space that caters exclusively to kids, with 66 locations across the country.

"My stylists are saints, and we give parents peace of mind," she says. "The kids love it. We play movies, and we have a Nintendo Switch, themed chairs, snacks, prizes—we've thought of everything."

Tribble opened her second location in 2016 and her third in December 2019. "Because we've built a reputation, the first month at our newest location did more than double what my other two stores opened at," Tribble says. "It was already covering its cost—until this tragedy hit."

Sales fell in March by about 30 percent, and by July, as cases spiked in Florida, Tribble's business was still feeling the effects of the crisis. More locations does mean more responsibilities, but Tribble says they also provide a cushion. "If one store runs out of photo paper, we go get it from the other store," she says. "I have 19 stylists I can pull from. Multi-location is ideal for me, and experience is your best friend. You're not as scared by the nuances of business."

WHAT'S IT LIKE TO OWN 34 FRANCHISE LOCATIONS?

BIG CHALLENGE/ Growing smartly and steadily

Eric Danver has never owned just one franchise location—and that's by design.

"Mom-and-pop operators are just married to their location," he says. "I wanted a different quality of life."

Danver learned the ropes of franchising in the '90s, when he got involved with the Papa John's brand and eventually operated 53 stores across New Jersey and Pennsylvania. (He still owns 18.) There, he quickly came to understand the value of building an empowered team that could handle daily operations and allow him to focus on the growth of the business.

Two decades later, when he opened two Virginia locations of Hand & Stone Massage and Facial Spa, he thought he could just run the same game plan—but was startled by the differences in running the two brands. "The pizza delivery business is laser-focused; it's all about speed, getting that pizza to the customer's door as fast as possible," he says. "The spa is all about relaxation and the client experience, and the staffing challenges are very different."

Danver enlisted his two daughters to run day-to-day operations at those first two spas, where they built a reliable clientele that pays a monthly membership fee. ("That revenue model was very appealing to me," Danver says.) He then went back to focusing on growth, but he tweaked his strategy to focus on acquiring existing locations from other franchisees.

"I learned pretty quickly that it's easy to take somebody's existing spa and make it better," Danver says. "When you build from the ground up, it can take you a year to attract 500 members. When I do an acquisition, I start out with up to 1,000 members. So that's the way we grow now."

The strategy worked. Danver now operates 16 Hand & Stone locations and anticipates growing to 20 before the end of the year. (Business, of course, was impacted by COVID-19, but he is optimistic.) He has been focused on securing fast-moving cash deals to acquire new locations while trusting his expanding team to run daily operations.

"It's a tough business, and if you're an owner-operator and you're in there every day, you're dealing with a lot of headaches," he says. "But I've got a lot of young kids who are energized and enthusiastic and love the business, and they're ready to handle it. That's our model."

PHOTOGRAPH COURTESY OF ERIC DANVER

LIGHTING THE WAY.

Brent Turner, CEO, Liberty Tax, shines a light on the benefits of Liberty Tax ownership.

LIBERTYTAX

Tell us a little about what it has been like since you took over as CEO?
In all of the 25 tax seasons I have been through, this has been the most problematic year. We had so many headwinds to fight through and overcome, but we were able to do so. I am fortunate to have a group of Franchisees that embraced the changes we needed to make and took it upon themselves to be successful. My first year has been rewarding and challenging, to say the least.

We've heard about the term "start-up made easy." Can you tell us what that means?
Liberty has a very low startup cost and with our reimagined technology platform and training systems, a new office start up is very quick and simple.

What is your vision for Liberty Tax?
I want Liberty Tax to be the trusted advocate for our clients using multiple channels and products. Engaging with customers in the manner they choose and as often as we can. This includes the development of our new mobile applications and the singular integration between mobile, in office and on-line experiences.

Where do you see growth opportunities within the brick and mortar retail locations?
We currently have 2,500 offices in the U.S. and 256 in Canada. There are many open territories in each country. The overall market for tax filing grew by 4.4% in 2020 and we believe we can open an additional 5,000 offices in the U.S. and 400 in Canada before we begin to reach a saturation level.

> "I'm looking for franchise partners who are interested in controlling their own success."

Which of the ancillary business services or products have the highest take rate or potential within the tax preparation process and offices?
That's a hard question to answer because some offices have great success with Roadside Assistance, Medicare Enrollment or Telemed, while others do very well with Bookkeeping and Tax Planning. It really depends on the engagement of the Franchisee and the needs of the client base they serve.

What is driving new business to your model?
Opportunity. We have a team of Franchisees, Executives and employees that have many experiences in other products and services that are a natural fit with our business. For many of our clients, we are their trusted advocate and they often look to us for services other than just tax preparation. The best businesses are built by responding to their existing customers' demands.

Who are your top performing franchisees and what sets them apart from the others?
This is an easy answer. Attitude! The approach to the business, clients and problems determines the amount of success you will have as a franchisee. We provide a system and on-going support, but the Franchisee has to be engaged with intent to succeed, running their business with passion. Too often, prospective franchisees think this is an absentee owner business, and while it can be, the most successful Franchisees are hands on or have a capable Office Manager that has an incredible attitude.

One last question - to all the potential Franchisees out there, why buy a Liberty Tax?
There are so many new opportunities with a Liberty Franchise. An ideal candidate is one that will embrace the direction to expand services and revenue while also being prepared to grow office locations. We are the best choice for investment considering the low upfront and on-going operational expense and the related revenue that can be generated. This is a fun business to be in and own!

Brent Turner
CEO, Liberty Tax

For more information visit:
LibertyTaxFranchise.com

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WHAT'S IT LIKE TO OWN 75 FRANCHISE LOCATIONS?

BIG CHALLENGE/ Staying present as you grow

Shirin Kanji works for his family's business. But it's a far cry from a mom-and-pop operation.

Kanji serves as president of Impact RTO Holdings, a subsidiary of Impact Properties, a company his father started 35 years ago that's focused on multi-unit franchising within hotels, restaurants, and retail. Kanji and his team focus primarily on the organization's retail arm, specifically the 75 Rent-A-Centers they operate across eight states in the Southeast.

"I created our retail division in 2015 with the acquisition of 40 Rent-A-Center stores, and now we have almost doubled that count, which is fast," Kanji says. "This business for us has always been about people, and how we treat our customers and our employees. We want the presence and culture of our family to be felt, even as we grow."

But with more than 600 employees, that can be a challenge. So Kanji makes a concerted effort to put in face time at his locations and make sure he's seen as an accessible leader, by both his employees and the people they serve.

"It's not the fanciest solution, but it is just about increased presence, physically," he says. "I'm on the road, my VP of operations is traveling, our regional directors are traveling. We can directly interact with the staff at each location and help them solve their issues internally, and externally with their customers."

To do that, Kanji prescribes a combination of "rolling up the sleeves and getting in it" and leveraging technology. The latter has become increasingly important in recent months as his businesses have worked to adapt to changing restrictions brought on by the global pandemic, as well as changing consumer wants and needs.

PHOTOGRAPH COURTESY OF RENT-A-CENTER

Kanji's retail businesses saw steady demand during quarantine, even while engaging remotely, and have seen an uptick as regions have moved toward reopening. But he knows some changes will stick with the company long after COVID-19 is no longer a threat—and that's a good thing.

"Operating with fewer resources can really create a grit or a strong sense of will, and we've learned to be leaner in some areas, and that will probably stick," he says, citing more team meetings via Zoom and more customer communication via digital channels. "We'll carry some of those innovations with us, which will help us create a better customer service option."

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WHAT'S IT LIKE TO OWN 770 FRANCHISE LOCATIONS?

BIG CHALLENGE/ Keeping people motivated

Michael Kulp started working in restaurants when he was 14 years old. He spent time in the kitchen, he spent time working the front of house, and eventually, he spent time working within a small organization that owned franchise locations of quick-service restaurants. That's where he saw a big opportunity in small business.

Today, Kulp is the CEO of KBP Foods, a multi-unit franchisee of Yum! brands, operating primarily KFC and Taco Bell restaurants. Based in Overland Park, Kans., KBP launched in 1999 and now operates 770 locations. Annual revenue is approaching $1 billion, and KBP is responsible for 15,000 employees.

"The bigger we get, the easier it becomes to find areas of our company where we're just mediocre," Kulp says. "The restaurants at the very top get a lot of attention, and the ones at the very bottom get a lot of attention. But whether it's the way we communicate, build relationships, or reward and incentivize, we must focus on never allowing any units or performance or behavior to become mediocre just because we've gotten larger. It's probably our biggest challenge."

Kulp wants his entire team to keep that in mind, so the phrase "Fight for Great" is used often across all of KBP. But Kulp knows that encouraging words aren't enough. To keep all employees motivated, KBP has created a variety of incentive programs.

At the restaurant level, Kulp and his team have created performance-based incentives that reward employees directly when their store is performing well. For folks a little higher up the company org chart who'd like to invest in the company but don't necessarily have the means to, a two-year program called Partner Track teaches them about investing, and a matching program built around bonus dollars helps those employees earn ownership in the business. For folks even higher up the corporate ladder, it's not uncommon to have more

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than 50 percent of their net worth invested in KBP.

"I'm a big believer that if you walk into a casino and hand somebody a stack of chips, they'll behave very differently than if they had to purchase that stack of chips themselves," Kulp says.

He sees these programs as a big reason why KBP has been able to attract top talent as it continues to grow rapidly. (The business opens or acquires nearly 100 new stores a year.) "We have the ability to provide people with upward mobility, unique career trajectory, and financial upside that they can't find other places," he says. "And we firmly believe that tacos and chicken are the two sexiest businesses you could ever be in."

PHOTOGRAPH COURTESY OF KBP FOODS

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Who Helps You Grow?

Our annual list of the top lawyers, marketers, accountants, and other suppliers who help franchises achieve their ambitions.

compiled by TRACY STAPP HEROLD

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Real Estate Services/ P.100

In franchising, people understand the value of support. After all, that's the industry's foundation. Franchisors can't grow without great franchisees, and franchisees know they can rely on their corporate office and collaborate with other franchisees for support. But there's another element that often goes overlooked: Franchising can't succeed without great third-party suppliers. Franchisors rely on franchise brokers to help source new franchisees. They turn to law firms for help navigating the industry's many legal requirements. They need technology providers to enable smooth operations across multiple locations. And there's more. That's why, every September, we dedicate space to highlight the industry's more celebrated behind-the-scenes supporters. This is our third annual top franchise suppliers ranking.

This ranking is based on a survey of more than 700 franchisors, from new brands just launching their franchise programs to established franchisors with thousands of units. They were asked to tell us which service providers they and their franchisees use and to rate their satisfaction with these providers' services in the areas of quality, cost, and value. Each provider was then scored based on the results of this survey, and 135 top-scoring suppliers in 10 categories form the final ranking, which you'll find on the following pages.

Keep in mind that this list is not intended as an endorsement of any particular company, but simply as a starting point for your own research. Whether you're a franchisor or a franchisee, doing your homework to find the suppliers that best suit your particular business's needs is vital. And you'll find even more options in our online directory of franchise suppliers at entrepreneur.com/franchises/suppliers-directory.

ACCOUNTING

FROM THE ANNUALLY audited financial statements that must be included in each franchise disclosure document (FDD) to tax and advisory services and more, accounting firms' services are critical to franchisors. Some prefer large, internationally known firms, while others employ smaller franchise-focused accountants.

1
BDO USA, LLP
Professional services firm serving franchises worldwide

2
Deloitte
Audit and assurance, tax, legal, risk and financial advisory, and consulting services

3
Grant Thornton
Professional services firm offering audit, tax, and advisory services

4
PwC
Audit, assurance, consulting, and tax services

5
Andrew Gianiodis, CPA
Audit, tax, and business consulting

6
Plante Moran
Audit, tax, wealth management, and business consulting services

7
KPMG LLP
Professional services firm

8
RSM US LLP
Audit, tax, and business consulting

9
Citrin Cooperman
Accounting, tax, and advisory services

10
Kezos & Dunlavy
Full-service CPA firm specializing in real estate tax and accounting, franchise audits, and related issues

11
EY
Advisory, assurance, tax, and transaction services

PHOTOGRAPH COURTESY OF BDO

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12
The Franchise CPA
Financial statement audits, royalty audits, and part-time CFO services

13
St. Clair CPAs, P.C.
CPAs serving franchisors and franchisees

14
A&G
Full-service accounting

15
Reese CPA
Audit services for the franchise industry

BDO USA, LLP

"We turned to BDO to improve the quality of our audits several years ago. We have been very pleased with our experience." **—STEVE WHITE, president and COO, PuroClean**

BANKING/FINANCING

GROWING FRANCHISES NEED dependable financing sources. When we asked franchise brands about their most trusted sources, we heard about traditional banks as well as companies that focus specifically on financing for franchises or other small businesses.

1
Guidant Financial
401(k) business financing, SBA loans, unsecured business loans, business valuations and appraisals, and other business services

2
FranFund
Funding solutions including 401(k) business financing, SBA loans, unsecured business loans, and equipment leasing

3
Benetrends Financial
401(k) rollover funding, SBA loans, and equipment leasing

4
Chase for Business
Deposit accounts, loans, credit cards, cash management, and payment processing

5
ApplePie Capital
Franchise financing

6
BoeFly
Franchise financing

7
Wells Fargo
Banking, investments, mortgage, and consumer and commercial finance

8
KeyBank
SBA and conventional financing, merchant and treasury solutions, deposits

9
Live Oak Bank
Small-business banking

10
First Financial
SBA financing for franchise startups, working capital, construction, and acquisitions; equipment leasing

11
Tenet Financial Group
Business rollover funding, SBA loans, unsecured lines of credit

PHOTOGRAPH COURTESY OF GUIDANT FINANCIAL

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IFA
INTERNATIONAL FRANCHISE ASSOCIATION

12
U.S. Bank
Business banking, conventional and SBA financing, credit card and payment solutions, wealth management services

13
DCV Franchise Group
Franchise financing and consulting services

14
Bank of America
Small-business banking, credit, and digital investing tools

15
TD Bank
Loans, mortgages, merchant services, checking, credit cards, money market accounts

Guidant Financial

"Guidant Financial is the best in the business. Their customer service is second to none and [they're] always quick to follow through with all requests. They take great care of our clients and their expertise with the ROBS (Rollovers as Business Start-Ups) program is priceless."

—DOUG VAN TASSELL, president, Pinot's Palette

FRANCHISE BROKER/ REFERRAL NETWORKS

FRANCHISE BROKERS—often called franchise consultants—work with people interested in buying a franchise and help them find the opportunity that fits them best. Usually their services are free to the prospective franchisee. The franchisor pays them when a successful match (and sale) is made.

1
IFPG
Membership-based franchise broker organization

2
FranChoice
Free consulting service to individuals considering franchise ownership

3
FCC, The Franchise Consulting Company
Free consulting service to prospective franchise buyers

4
FranNet
Franchise consultants that match clients to business opportunities

5
FranServe
Consulting service to prospective franchise buyers

6
BAI Business Alliance Inc.
Brokerage services for franchise companies and prospective franchise buyers

7
Franchise Brokers Association
Franchise broker training and membership organization

8
The You Network
Franchise consulting and education for senior level executives seeking franchise opportunities

PHOTOGRAPH COURTESY OF IFPG

IFPG

"*Professional*—this is the word that best describes the IFPG firm. They have consistently vetted and prepared their clients for the discovery process, as I've seen time and again in my experience with their brokers."

—DAVID M. CUTILLO, CEO, BeBalanced Hormone Weight Loss Centers

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FRANCHISE CONSULTING/DEVELOPMEMT

FOR BUSINESS OWNERS looking to navigate the complicated process of turning their brand into a successful franchise, franchise consulting companies like those ranked here are ready to help. Many of the companies in this category also help already-established franchisors improve their operations, strategies, marketing, and sales.

1 iFranchise Group
Franchise consulting and development for startup and existing franchisors

2 SMB Franchise Advisors
Franchise consulting services for emerging brands

3 Big Sky Franchise Team
Franchise consulting, development, and marketing

4 Franchise FastLane
Franchise sales organization

5 Franchise Performance Group
Franchise consulting firm specializing in franchise development

6 Better Way Franchise Group
Franchise development planning, training, and outsourcing

7 Franchise Creator
Franchise consulting, development, sales, and marketing for startup and existing franchisors

8 Zee Sprout
Franchise development for emerging brands

9 Pinnacle Franchise Development
Franchise development services, including sales, strategy, and consulting

10 BrandONE
Franchise development services

11 MSA Worldwide
Domestic and international design, development, and expansion for emerging franchisors

12 Brand Journalists
Franchise development and lead generation marketing

13 Fransmart
Franchise development company working with emerging brands

14 Raintree
Full-service franchise design, marketing, and sales

15 Accurate Franchising
Franchise development consulting

iFranchise Group

"iFranchise Group was instrumental in helping us launch our franchise program. They were with us every step of the way as we developed our overall strategy, created our operations manual, built our franchise website, refined our sales process, and implemented our marketing plan. Each of their consultants were incredibly knowledgeable about the franchise industry, which gave us the confidence to build and grow our system. We think of iFranchise Group as an extension of our Woofie's team."

—AMY REED, cofounder and co-owner, Woofie's

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LEGAL SERVICES

FRANCHISING COMES with its own set of unique legal requirements and challenges, so it's no surprise that there are dozens of law firms specializing in working with franchisors and franchisees. That makes this one of the most competitive categories in our ranking.

1
FisherZucker LLC
Full-service law firm focusing on franchising and licensing matters

2
Spadea Lignana, Franchise Attorneys
Full-service franchise law firm

3
Internicola Law Firm
Legal services for emerging franchise brands

4
Lathrop GPM
Full-service law firm with franchise and distribution practice team

5
DLA Piper
Legal services including franchise law compliance, mergers and acquisitions, and dispute resolution

6
Lanard and Associates, P.C.
Legal services for franchisees, business law, and commercial tenant representation

7
FranchiseSmith LLC
Nationwide and international practice specializing in franchise law

8
Warshawsky Seltzer, PLLC
Boutique franchise law firm

9
Franchise.Law
Legal services for franchisors

10
Plave Koch PLC
Franchise legal services, including dispute resolution, transactions, and trademarks

11
Drumm Law LLC
Full-service franchise law firm

12
Shipe Dosik Law
Legal services for franchisors and business owners

13
Quarles & Brady
Full-service law firm offering transactional, regulatory, and dispute resolution services

14
Cheng Cohen LLC
Full-service law firm exclusively representing franchisors

15
Faegre Baker Daniels LLP
International law firm with a full-service franchise practice

PHOTOGRAPH COURTESY OF FISHER ZUCKER LLC

FisherZucker LLC

"FisherZucker are as knowledgeable as they come in franchise law. Moreover, when facing a particularly challenging opponent, they are the team you want on your side. They win!" **—RON BERGER, chairman and CEO, Figaro's Italian Pizza**

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MARKETING

MARKETING IS CRITICAL in franchising, which is why you'll see so many different services represented in this category. There's everything from digital marketing tools to traditional marketing agencies, and they help in a wide range of ways—attracting new franchisees, guiding national campaigns, helping franchisees market locally while maintaining brand-wide consistency, and more.

1
SOCi
Centralized digital marketing platform for multi-location brands

2
Integrated Digital Strategies
Digital marketing company specializing in franchise development and franchisee marketing

3
Hot Dish Advertising
Full-service strategic marketing agency specializing in franchising

4
ClickTecs
Websites and digital marketing for franchisors and franchisees

5
Scorpion
Digital marketing and technology solutions

6
TopFire Media
Full-service digital marketing and PR agency specializing in franchise lead generation

7
Rallio
Social media technology and local agency services for franchises and small businesses

8
Curious Jane
Full-service advertising agency offering franchise-development and consumer marketing

9
Location3
Franchise marketing agency

10
Lead PPC
Franchise-development pay-per-click lead generation

11
Wheat Creative
Franchise lead generation, local consumer marketing, websites, digital and sales collateral

12
Qiigo
Digital marketing for multi-location brands

PHOTOGRAPH COURTESY OF SOCI

SOCi

"SOCi is a perfect match for any franchise enterprise. Their multi-location tools have allowed us to reach our clients like we never have before. We can strengthen and grow our brand across 50 states with their easy-to-use interface. From day one, I knew we made the right decision partnering with SOCi for our operational needs."
—JOHN MUSSER, marketing specialist, digital services, Sport Clips

SOCi

The All-In-One Platform for Your Localized Marketing Needs

LISTINGS | LOCAL PAGES | SOCIAL | REVIEWS | SURVEYS
LISTENING | ADS | CHATBOT | INSIGHTS & REPORTING

What if you could do localized marketing efficiently at scale? **Meet SOCi.**
Get a free localized marketing scorecard for your company to see how you can take your localized marketing to the next level.

meetsoci.com/entrepreneur2020

MERCHANT SERVICES

SECURE PAYMENT PROCESSING services are more important than ever to franchises and other businesses. Franchisors and franchisees have lots of options to choose from here, with many of these suppliers offering complementary services such as analytics, loyalty programs, and consulting.

1
Square
Payment processing, reporting and analytics, POS software, and business services

2
Franchise Payments Network
Payment processing for franchise chains

3
Fiserv
Payments and financial technology

4
Toast
Cloud-based restaurant point-of-sale and management system

5
Elavon
Payment processing solutions

6
Paypal
Payment technology and software solutions

7
Wells Fargo Merchant Services
Payment acceptance and processing

8
Chase Merchant Services
Payment processing

9
Stripe
Payments infrastructure and business applications

10
Worldpay from FIS
Payment processing, software solutions, analytics, fraud protection, card solutions, consulting

11
PNC Merchant Services
Merchant credit and debit card processing

12
Global Payments Inc.
Payment technology and software solutions

13
Gravity Payments
Payment processing and technology solutions for small and midsize businesses

14
Authorize.net, a Visa Solution
Payment processing and management system for businesses

PHOTOGRAPH COURTESY OF SQUARE

Square

"Working with Square allowed us to be more organized in our business. They have excellent reporting capabilities as well as a robust rewards and marketing program to keep in touch with our customer base. We love the fact that we can purchase our own equipment, and the level of customization is excellent."

—GAMALIEL GARFIO, managing member, Frutilandia

Franchise Payments Network.

Maximize customer engagement and unit revenue growth!

Touchless Payments & Loyalty that Delivers Amazing Results

PAYMENT PROCESSING

- Bluetooth EMV readers and NFC
- Branded website payments page
- ACH processing and recurring billing
- PCI Compliance
- System-wide pricing

POLN8 LOYALTY

- Referral & gift card programs
- Branded mobile apps with QR payments
- Automated email marketing
- Geo-fencing and iBeacon to drive customers in
- Text / push messages

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Entrepreneur TOP FRANCHISE SUPPLIER 2018

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OTHER TECHNOLOGY SERVICES

A WIDE RANGE OF TECHNOLOGY solutions exist to help franchisors and franchisees manage their businesses more efficiently, including CRM, marketing, analytics, accounting, and more. Some of these technologies can be used by just about any franchise, while others focus on specific industries such as wellness or home services.

PHOTOGRAPH COURTESY OF SALESFORCE

Salesforce

"Decorating Den Interiors celebrated our 50th year in the interior design business in 2019 by rolling out a new proprietary back office support system (BOSS) for our interior design franchise partners. Salesforce was the foundation for developing that new resource. Salesforce plays a key role in giving our designers a competitive edge in managing their business, building fabulous client experiences, having a one-stop shop for marketing, creating design proposals, and more."

—JAMES S. BUGG JR., president and CEO, Decorating Den Interiors

Service descriptions come from respective suppliers.

1
Salesforce
CRM, cloud computing, sales, service, marketing, commerce, and analytics apps

2
FranConnect
Franchise management software

3
FranFunnel
Automated messaging software connecting franchisors with customers and leads

4
Zoho
Cloud software suite and SaaS applications for business

5
MINDBODY
Technology platform for the wellness industry

6
HubSpot
CRM, marketing, sales, and customer-service platform

7
FranchiseSoft
SaaS-based franchise management software

8
Naranga
Franchise management solutions

9
Intuit Quickbooks Franchise Program
Cloud-based software for accounting, time-tracking, payroll, and payments

10
serviceminder.io
Operating system for franchised home services brands

11
The Better Software Company
Customizable franchise operations management software

12
ClearCare, a WellSky company
Web-based operating platform for personal care agencies

13
Vonigo
Business management software for mobile service franchises

14
ClientTether
Lead response, sales, online review, client engagement automation, and CRM platform

15
GbBIS Mapping
Analytic solutions for franchise territory management and site selection

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PRACTICE LEADERS:
Aaron Chaitovsky, CPA, CFE
achaitovsky@citrincooperman.com
Michael Iannuzzi, CPA, CFE
miannuzzi@citrincooperman.com

CITRINCOOPERMAN.COM

PUBLIC RELATIONS

FRANCHISES HAVE ALWAYS relied on public relations agencies to help promote both their goods and services as well as their franchise opportunities. This year, these agencies have proven more important than ever in helping their franchise clients to navigate the challenges of the COVID-19 crisis while still putting their best face forward.

PHOTOGRAPH COURTESY OF FISHMAN PUBLIC RELATIONS

Fishman PR

"In our first year of national public relations efforts with Fishman, we saw a 158 percent increase in media exposure. In addition, they have shown up and shown true expertise with crisis communication support. During the COVID-19 pandemic, they were instrumental in our communication strategies and in developing best practices for our franchisees, our team members, and the communities we serve. During a time when we had to lean on our partners, Fishman PR showed how absolutely essential they are."
—SHANA KRISAN, VP of marketing, Goldfish Swim School

Service descriptions come from respective suppliers.

1
Fishman PR
PR and content marketing for franchise lead generation and brand awareness

2
Fish Consulting
Full-service national communications firm specializing in franchise PR and marketing

3
All Points Public Relations
PR, social media, content marketing, digital and lead generation strategy

4
Franchise Elevator PR
PR services for emerging franchise brands

5
919 Marketing Company
Brand strategy, PR, social media, and digital marketing programs for franchise brands

6
No Limit Agency
Full-service communications firm specializing in franchise brands

7
Powerhouse Communications
PR, crisis, social media, and influencer relations, specializing in franchise and foodservice brands

8
BizCom Associates
Publicity, social media, content creation, marketing materials, and crisis counsel

9
Sanderson & Associates
Media placement, media coaching, social media, communications, and consulting for franchisors and franchisees

10
Ripley PR
Strategic communication services, including media relations, digital content, social media, and crisis management

11
Champion
Full-service PR, local store marketing, franchise development, social media, and crisis management agency

12
Konnect Agency
Full-service PR, marketing, and digital agency

13
Bear Icebox Communications
Strategic PR, content, and social media campaigns for franchises

14
PR Works
Full-service national communications firm specializing in franchise PR and marketing

REAL ESTATE SERVICES

A GOOD LOCATION (at the right price) can make a huge difference in the success of a retail or restaurant franchise, or even those requiring warehouse or office space. These are the companies that franchisors trust most to help their franchisees discover or develop the right real estate for their business.

Keyser

"I have been working with the team at Keyser for over 10 years, and they have become an integral part of our sales team. They have gone above and beyond time and again to ensure that each franchisee has a seamless process. From helping us with sites that are not yet available to getting our franchisees through the difficult negotiation process, they are there with selfless service every step of the way."
—TIM MCCARTHY, VP of franchise development, Rosati's Pizza

PHOTOGRAPH COURTESY OF KEYSER

KEYSER
relentless client champion

We at Keyser want to extend a huge THANK YOU to the franchise community for naming Keyser the Top Real Estate Supplier in Franchising. We're proud to see our community of businesses grow and thrive."
—Rocco Fiorentino & Ty Brewster

Don't have a real estate department, budget for additional infrastructure, or a real estate process?

No Problem. With F.R.E.D. on your side, you'll have all the commercial real estate support you need.

Get Your Free Commercial Real Estate Strategy Assessment

www.keyserco.com/fred20

rf@keyserco.com | tbrewster@keyserco.com

Service descriptions come from respective suppliers.

1
Keyser
Commercial real estate tenant representation

2
JLL
Commercial real estate and property investment services

3
Morrow Hill
Real estate technology and services for corporate and franchise organizations

4
RESOLUT RE
Analytics and brokerage services for tenants

5
Colliers International
Global real estate services and investment management company

6
CBRE
Commercial real estate services

7
Cushman & Wakefield
Commercial real estate services

8
Newmark Knight Frank
Commercial real estate advisory firm

9
Catalyst Commercial Group
Retail and restaurant tenant representation

10
Keller Williams
Commercial and residential real estate services and technology

11
LocateAI
Artificial intelligence and advisory services for retail site selection

12
RPM
Real estate and project management consulting for franchises

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MOVING UP

If you're looking to join a company with momentum, here are 150 franchises with the best records of growth.

by TRACY STAPP HEROLD

PHOTOGRAPH BY SHUTTERSTOCK/SERGEY TINYAKOV

In franchising, not all growth is good growth. Some companies expand faster than they can manage, and others have bursts of explosive growth but never get into a groove. The healthiest franchise systems tend to maintain steady, sustained growth year after year—which is a good indication that they have the systems in place to support their new franchisees. To identify the companies achieving exactly that, we've put together our newest ranking on the following pages.

We determined this list by looking at each company's U.S. and Canadian franchise numbers over a three-year period (from July 2016 to July 2019; given the rapid changes, COVID-19 impacts weren't taken into account). In order to qualify, companies had to have positive growth of at least five units each year. They were then scored based on a formula that considers their total positive U.S. and Canadian franchise growth over three years as well as factors that negatively affect growth, such as terminations, nonrenewals, and other closures. Finally, the 150 companies with the highest scores were ranked from highest to lowest.

This list is not intended as a recommendation of any particular franchise company. Sustained growth is one sign of a potentially strong franchise, but it's only one of many factors you should weigh in finding the fit that's right for you. Always do your homework: 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
Dunkin'
STARTUP COST
$395.5K–$1.6M
TOTAL UNITS
(Franchised / Co.-Owned)
12,957/0

2
Taco Bell
STARTUP COST
$525.5K–$2.96M
TOTAL UNITS
(Franchised / Co.-Owned)
6,662/474

3
Supercuts
STARTUP COST
$151.4K–$321K
TOTAL UNITS
(Franchised / Co.-Owned)
2,509/374

4
Orangetheory Fitness
STARTUP COST
$576K–$1.5M
TOTAL UNITS
(Franchised / Co.-Owned)
1,369/16

5
Planet Fitness
STARTUP COST
$1.1M–$4.2M
TOTAL UNITS
(Franchised / Co.-Owned)
1,779/80

6
Cruise Planners
STARTUP COST
$2.3K–$23.6K
TOTAL UNITS
(Franchised / Co.-Owned)
3,061/1

7
Jan-Pro Franchising International
STARTUP COST
$4.2K–$54.7K
TOTAL UNITS
(Franchised / Co.-Owned)
9,155/0

8
SmartStyle
STARTUP COST
$149.4K–$305.2K
TOTAL UNITS
(Franchised / Co.-Owned)
516/1,524

9
Club Pilates Franchise
STARTUP COST
$167.97K–$280.4K
TOTAL UNITS
(Franchised / Co.-Owned)
562/1

10
Stratus Building Solutions
STARTUP COST
$4.5K–$72.9K
TOTAL UNITS
(Franchised / Co.-Owned)
1,787/0

11
Great Clips
STARTUP COST
$136.9K–$259.4K
TOTAL UNITS
(Franchised / Co.-Owned)
4,371/0

12
7-Eleven
STARTUP COST
$47.1K–$1.2M
TOTAL UNITS
(Franchised / Co.-Owned)
66,307/2,382

13
Kona Ice
STARTUP COST
$145.6K–$169.2K
TOTAL UNITS
(Franchised / Co.-Owned)
1,274/22

PHOTOGRAPH COURTESY OF DUNKIN'

1/ Dunkin'

AS SUMMER ROLLED AROUND and more businesses in the U.S. began to open back up, Dunkin' announced that its franchisees would be seeking to hire up to 25,000 new restaurant employees. To support this effort, the company launched its first-ever national advertising campaign aimed at recruitment and started a new partnership with Southern New Hampshire University to offer online college education to franchise employees.

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We use specialized equipment & trade specific materials.
Our crews understand packing skills to maximize protection.
The efficiency of our crews help to build customer satisfaction.

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Proper inventory, approval and disposal of total loss contents.

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14
Jersey Mike's Subs
STARTUP COST
$237.4K–$766.97K
TOTAL UNITS
(Franchised / Co.-Owned)
1,520/72

15
Goosehead Insurance Agency
STARTUP COST
$41.5K–$116.5K
TOTAL UNITS
(Franchised / Co.-Owned)
535/0

16
HomeVestors of America
STARTUP COST
$96K–$426.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,102/0

17
F45 Training
STARTUP COST
$227K–$315K
TOTAL UNITS
(Franchised / Co.-Owned)
1,045/0

18
Dream Vacations
STARTUP COST
$1.8K–$20.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,432/0

19
Anytime Fitness
STARTUP COST
$98.4K–$523.8K
TOTAL UNITS
(Franchised / Co.-Owned)
4,510/10

20
uBreakiFix
STARTUP COST
$55.4K–$236.3K
TOTAL UNITS
(Franchised / Co.-Owned)
513/15

21
Wingstop Restaurants
STARTUP COST
$374.1K–$782.4K
TOTAL UNITS
(Franchised / Co.-Owned)
1,381/32

22
9Round
STARTUP COST
$99.7K–$143.1K
TOTAL UNITS
(Franchised / Co.-Owned)
790/7

23
Mathnasium Learning Centers
STARTUP COST
$112.8K–$149.1K
TOTAL UNITS
(Franchised / Co.-Owned)
1,030/17

24
Tropical Smoothie Cafe
STARTUP COST
$198.5K–$543.5K
TOTAL UNITS
(Franchised / Co.-Owned)
840/1

25
Sonic Drive-In
STARTUP COST
$1.2M–$3.5M
TOTAL UNITS
(Franchised / Co.-Owned)
3,231/270

26
CPR Cell Phone Repair
STARTUP COST
$55.7K–$170.5K
TOTAL UNITS
(Franchised / Co.-Owned)
565/6

27
Pizza Hut
STARTUP COST
$357K–$2.2M
TOTAL UNITS
(Franchised / Co.-Owned)
17,120/56

28
Jimmy John's Gourmet Sandwiches
STARTUP COST
$313.6K–$556.1K
TOTAL UNITS
(Franchised / Co.-Owned)
2,703/51

11/ Great Clips

GREAT CLIPS WAS THE FIRST in the hair salon industry to introduce online check-in through its app or website. In June it announced a new enhancement, ReadyNext text alerts, which notify customers when their estimated wait time reaches 15 minutes so they know when to head to the salon. The company accelerated the development and launch of this technology to support social distancing, helping minimize the number of customers waiting in and around salons.

PHOTOGRAPHS COURTESY OF GREAT CLIPS

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**This information appears in the Tint World® Franchise Disclosure Document 2020 Item 19*, your results will vary depending on how well you faithfully follow the franchise system.*

29
The UPS Store
STARTUP COST
$138.4K–$470K
TOTAL UNITS
(Franchised / Co.-Owned)
5,166/0

30
NextHome
STARTUP COST
$14.8K–$213.1K
TOTAL UNITS
(Franchised / Co.-Owned)
432/0

31
Home2 Suites by Hilton
STARTUP COST
$9.1M–$17.5M
TOTAL UNITS
(Franchised / Co.-Owned)
332/0

32
Sport Clips
STARTUP COST
$233.8K–$388.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,794/77

33
Board & Brush Creative Studio
STARTUP COST
$62.3K–$89.4K
TOTAL UNITS
(Franchised / Co.-Owned)
231/6

34
Smoothie King
STARTUP COST
$263.6K–$844.5K
TOTAL UNITS
(Franchised / Co.-Owned)
1,037/36

35
Fyzical Therapy & Balance Centers
STARTUP COST
$148.8K–$819K
TOTAL UNITS
(Franchised / Co.-Owned)
388/19

36
Anago Cleaning Systems
STARTUP COST
$11.3K–$68.3K
TOTAL UNITS
(Franchised / Co.-Owned)
1,692/0

37
Hampton by Hilton
STARTUP COST
$7.7M–$20.3M
TOTAL UNITS
(Franchised / Co.-Owned)
2,491/0

38
Holiday Inn and Holiday Inn Express
STARTUP COST
$7.9M–$24.97M
TOTAL UNITS
(Franchised / Co.-Owned)
4,046/3

39
RE/MAX
STARTUP COST
$40K–$284K
TOTAL UNITS
(Franchised / Co.-Owned)
8,629/0

40
Burn Boot Camp
STARTUP COST
$150.3K–$406.5K
TOTAL UNITS
(Franchised / Co.-Owned)
260/4

41
Carstar
STARTUP COST
$298.2K–$804.3K
TOTAL UNITS
(Franchised / Co.-Owned)
706/2

42
Blaze Fast-Fire'd Pizza
STARTUP COST
$545.5K–$1.1M
TOTAL UNITS
(Franchised / Co.-Owned)
330/7

43
Cinnabon
STARTUP COST
$108.5K–$368.1K
TOTAL UNITS
(Franchised / Co.-Owned)
1,539/1

14/ Jersey Mike's Subs

JERSEY MIKE'S HAS LAUNCHED the Coach Rod Smith Program, named in honor of the football coach and banker who helped the company's founder and CEO, Peter Cancro, buy the original Mike's Subs shop when he was just 17. This year, the program aims to award 25 store managers with their own franchises, with Jersey Mike's financing their startup costs and supporting them with training and education. The first two recipients are Holley Hood and Haydyn Straus (*pictured, with Cancro*), a couple in their 20s who plan to open their restaurant in Wisconsin.

PHOTOGRAPHS COURTESY OF JERSEY MIKE'S

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44 Budget Blinds
STARTUP COST
$125.3K–$254.4K
TOTAL UNITS
(Franchised / Co.-Owned)
1,256/0

45 Sola Salon Studios
STARTUP COST
$531.2K–$1.7M
TOTAL UNITS
(Franchised / Co.-Owned)
436/25

46 Marco's Pizza
STARTUP COST
$223.5K–$586.4K
TOTAL UNITS
(Franchised / Co.-Owned)
956/0

47 Chester's
STARTUP COST
$12.4K–$287.6K
TOTAL UNITS
(Franchised / Co.-Owned)
1,286/0

48 N-Hance Wood Refinishing
STARTUP COST
$52.4K–$168.7K
TOTAL UNITS
(Franchised / Co.-Owned)
590/0

49 European Wax Center
STARTUP COST
$359.7K–$564.5K
TOTAL UNITS
(Franchised / Co.-Owned)
725/5

50 Firehouse Subs
STARTUP COST
$57.5K–$868.7K
TOTAL UNITS
(Franchised / Co.-Owned)
1,142/38

51 Hand and Stone Massage and Facial Spa
STARTUP COST
$532.6K–$618.3K
TOTAL UNITS
(Franchised / Co.-Owned)
433/1

52 Culver's
STARTUP COST
$1.97M–$4.7M
TOTAL UNITS
(Franchised / Co.-Owned)
709/6

53 CycleBar
STARTUP COST
$319.2K–$497.2K
TOTAL UNITS
(Franchised / Co.-Owned)
196/0

54 Amazing Lash Studio
STARTUP COST
$224.7K–$482.5K
TOTAL UNITS
(Franchised / Co.-Owned)
222/7

55 911 Restoration
STARTUP COST
$70.1K–$226.9K
TOTAL UNITS
(Franchised / Co.-Owned)
227/3

56 Crunch Franchise
STARTUP COST
$255.5K–$2.3M
TOTAL UNITS
(Franchised / Co.-Owned)
255/25

57 Motel 6
STARTUP COST
$206.9K–$8.8M
TOTAL UNITS
(Franchised / Co.-Owned)
937/309

58 Freddy's Frozen Custard & Steakburgers
STARTUP COST
$590.5K–$1.99M
TOTAL UNITS
(Franchised / Co.-Owned)
349/30

59 The Joint
STARTUP COST
$182.7K–$368.5K
TOTAL UNITS
(Franchised / Co.-Owned)
419/55

60 Red Roof

STARTUP COST
$160.5K–$5.4M

TOTAL UNITS
(Franchised / Co.-Owned)
483/99

61 Nothing Bundt Cakes

STARTUP COST
$431.6K–$600.4K

TOTAL UNITS
(Franchised / Co.-Owned)
301/6

62 Pure Barre

STARTUP COST
$198.7K–$446.3K

TOTAL UNITS
(Franchised / Co.-Owned)
545/7

63 Card My Yard

STARTUP COST
$4.7K–$13K

TOTAL UNITS
(Franchised / Co.-Owned)
210/2

64 Restoration 1

STARTUP COST
$79.1K–$183.4K

TOTAL UNITS
(Franchised / Co.-Owned)
201/0

65 Ace Hardware

STARTUP COST
$286K–$2.1M

TOTAL UNITS
(Franchised / Co.-Owned)
5,179/133

66 AR Workshop

STARTUP COST
$71.5K–$125.7K

TOTAL UNITS
(Franchised / Co.-Owned)
142/2

67 GYMGUYZ

STARTUP COST
$56.1K–$121.7K

TOTAL UNITS
(Franchised / Co.-Owned)
218/22

68 GoliathTech

STARTUP COST
$72.9K–$176K

TOTAL UNITS
(Franchised / Co.-Owned)
202/0

69 Tide Cleaners

STARTUP COST
$682.1K–$1.6M

TOTAL UNITS
(Franchised / Co.-Owned)
136/9

70 Patrice & Associates

STARTUP COST
$90.6K–$108K

TOTAL UNITS
(Franchised / Co.-Owned)
157/0

71 Motto Mortgage

STARTUP COST
$47.8K–$68.1K

TOTAL UNITS
(Franchised / Co.-Owned)
123/0

72 Realty One Group

STARTUP COST
$49.3K–$222.5K

TOTAL UNITS
(Franchised / Co.-Owned)
193/13

73 The Camp Transformation Center

STARTUP COST
$167K–$326.5K

TOTAL UNITS
(Franchised / Co.-Owned)
98/10

74 Tutor Doctor

STARTUP COST
$73.3K–$100.99K

TOTAL UNITS
(Franchised / Co.-Owned)
662/0

75 ASP, America's Swimming Pool Co.

STARTUP COST
$108.1K–$145.3K

TOTAL UNITS
(Franchised / Co.-Owned)
310/0

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76 Property Management Inc.

STARTUP COST
$22.8K–$175.1K

TOTAL UNITS
(Franchised / Co.-Owned)
247/1

77 Phenix Salon Suites Franchising

STARTUP COST
$308.1K–$1.4M

TOTAL UNITS
(Franchised / Co.-Owned)
275/5

78 Homewood Suites by Hilton

STARTUP COST
$12.3M–$25.97M

TOTAL UNITS
(Franchised / Co.-Owned)
492/0

79 Hilton Garden Inn

STARTUP COST
$13M–$27.1M

TOTAL UNITS
(Franchised / Co.-Owned)
841/0

80 Keller Williams

STARTUP COST
$183.9K–$336.99K

TOTAL UNITS
(Franchised / Co.-Owned)
1,026/0

81 Urban Air Adventure Park

STARTUP COST
$2.9M–$4.6M

TOTAL UNITS
(Franchised / Co.-Owned)
132/2

82 Scooter's Coffee

STARTUP COST
$331K–$638K

TOTAL UNITS
(Franchised / Co.-Owned)
205/20

83 Nekter Juice Bar

STARTUP COST
$245.5K–$466.6K

TOTAL UNITS
(Franchised / Co.-Owned)
103/42

84 Baymont by Wyndham

STARTUP COST
$214.5K–$7.2M

TOTAL UNITS
(Franchised / Co.-Owned)
513/0

85 Primrose School Franchising

STARTUP COST
$637.9K–$6.4M

TOTAL UNITS
(Franchised / Co.-Owned)
405/0

86 Conserva Irrigation

STARTUP COST
$81.8K–$102.3K

TOTAL UNITS
(Franchised / Co.-Owned)
86/5

87 Palm Beach Tan

STARTUP COST
$498.3K–$802.4K

TOTAL UNITS
(Franchised / Co.-Owned)
325/230

88 TeamLogic IT

STARTUP COST
$106.4K–$146.3K

TOTAL UNITS
(Franchised / Co.-Owned)
176/0

89 Orion Food Systems

STARTUP COST
$59.5K–$140K

TOTAL UNITS
(Franchised / Co.-Owned)
1,032/0

90 FastSigns International

STARTUP COST
$218.6K–$298.7K

TOTAL UNITS
(Franchised / Co.-Owned)
736/0

24/ Tropical Smoothie Cafe

IN MARCH, TROPICAL SMOOTHIE CAFE challenged its franchisees to donate at least 100 smoothies per store to their local healthcare workers and first responders, with the ultimate goal of donating 100,000 smoothies nationwide. In the end, 200,000 smoothies were donated, so the company upped its goal in May, offering to give away one million free smoothies to guests across the country, and donating $100,000 to the American Nurses Foundation's Coronavirus Response Fund for Nurses when that goal was met in July.

PHOTOGRAPHS COURTESY OF TROPICAL SMOOTHIE CAFE

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TOP 50 FRANCHISES BASED ON FRANCHISEE SATISFACTION

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*Data are based on each company's Franchise Disclosure Documents (FDD) for all franchise centers open in 2019, except for Kumon, which are for centers open at least three years; Tutor Doctor, which are for centers open at least one year; and Sylvan, which are for centers oopen at least 24 months. We estimate Club Z! revenue from its financial statement as total franchisor 2019 revenue, less estimated purchase of trademarked material and software fees, divided by the average royalty rate, then divided by the number of centers. We estimate Kumon revenue from its 2020 FDD and a 2015 survey of its centers as average center enrollment multiplied by an average monthly enrollment charge of $120, plus registration fee of $50 and materials fees of $30 for half of its enrollments. We estimate Tutor Doctor revenue as follows: Its 2020 FDD provides average enrollment by quartile for centers open 12 24 months and for centers open 25+ months. Its 2018 FDD provides average enrollment value for each quartile. We compute each quartile's total enrollment. For each quartile, we multiply its total enrollment by that quartile's average enrollment value to estimate total revenue for each quartile. We estimate the average center's revenue as the sum of these revenue estimates divided by the total number of centers.

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FASTSIGNS of Newark, NJ

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91 McAlister's Deli
STARTUP COST $772K–$2.1M
TOTAL UNITS (Franchised / Co.-Owned) 423/29

92 Freedom Boat Club
STARTUP COST $149.2K–$458.7K
TOTAL UNITS (Franchised / Co.-Owned) 209/23

93 Transworld Business Advisors
STARTUP COST $74.9K–$97.2K
TOTAL UNITS (Franchised / Co.-Owned) 294/1

94 Kiddie Academy
STARTUP COST $425K–$4.2M
TOTAL UNITS (Franchised / Co.-Owned) 256/1

95 Pro Clean USA
STARTUP COST $3.5K–$50.4K
TOTAL UNITS (Franchised / Co.-Owned) 86/3

96 The Maids
STARTUP COST $63.3K–$141.2K
TOTAL UNITS (Franchised / Co.-Owned) 1,278/174

97 Cookie Cutters Haircuts for Kids
STARTUP COST $132K–$339K
TOTAL UNITS (Franchised / Co.-Owned) 101/1

98 CMIT Solutions
STARTUP COST $127.97K–$175.4K
TOTAL UNITS (Franchised / Co.-Owned) 233/0

99 Oxi Fresh Franchising
STARTUP COST $44.3K–$74.3K
TOTAL UNITS (Franchised / Co.-Owned) 373/12

100 My Salon Suite/ Salon Plaza
STARTUP COST $582.2K–$1.5M
TOTAL UNITS (Franchised / Co.-Owned) 100/29

101 The Flying Locksmiths
STARTUP COST $182.6K–$428.4K
TOTAL UNITS (Franchised / Co.-Owned) 85/1

102 Clean Juice
STARTUP COST $269K–$512.5K
TOTAL UNITS (Franchised / Co.-Owned) 80/13

103 Lendio Franchising
STARTUP COST $30.2K–$117.1K
TOTAL UNITS (Franchised / Co.-Owned) 69/0

104 Pet Supplies Plus
STARTUP COST $440.6K–$1.3M
TOTAL UNITS (Franchised / Co.-Owned) 261/222

105 Big O Tires
STARTUP COST $311K–$1.1M
TOTAL UNITS (Franchised / Co.-Owned) 457/1

106 Destination Athlete
STARTUP COST $28.3K–$120.1K
TOTAL UNITS (Franchised / Co.-Owned) 134/0

107 The Learning Experience Academy of Early Education
STARTUP COST $494.4K–$3.6M
TOTAL UNITS (Franchised / Co.-Owned) 212/23

108 Brightway Insurance
STARTUP COST $18.1K–$173.5K
TOTAL UNITS (Franchised / Co.-Owned) 190/1

109 Bio-One
STARTUP COST $80.98K–$127.5K
TOTAL UNITS (Franchised / Co.-Owned) 88/0

110 Workout Anytime 24/7
STARTUP COST $555.5K–$996.4K
TOTAL UNITS (Franchised / Co.-Owned) 173/1

111 Lice Clinics of America
STARTUP COST $68K–$104.5K
TOTAL UNITS (Franchised / Co.-Owned) 209/1

112 1-800-Packouts
STARTUP COST $69.5K–$234K
TOTAL UNITS (Franchised / Co.-Owned) 97/0

113 Quesada Burritos & Tacos
STARTUP COST $239K–$320.5K
TOTAL UNITS (Franchised / Co.-Owned) 121/3

114 Deka Lash
STARTUP COST $179.3K–$426.5K
TOTAL UNITS (Franchised / Co.-Owned) 79/3

115 Servpro
STARTUP COST $160.1K–$213.95K
TOTAL UNITS (Franchised / Co.-Owned) 1,715/0

116 Bin There Dump That
STARTUP COST $73.1K–$128.3K
TOTAL UNITS (Franchised / Co.-Owned) 163/0

117 Snapology
STARTUP COST $40.4K–$214.9K
TOTAL UNITS (Franchised / Co.-Owned) 155/1

118 Goddard Systems
STARTUP COST $653.8K–$814.5K
TOTAL UNITS (Franchised / Co.-Owned) 509/0

119 Pop-A-Lock Franchise System
STARTUP COST $96.9K–$130.3K
TOTAL UNITS (Franchised / Co.-Owned) 577/4

120 Golden Corral
STARTUP COST $2.3M–$6.7M
TOTAL UNITS (Franchised / Co.-Owned) 448/36

121 Expedia Cruise-ShipCenters

STARTUP COST
$155.9K–$275.9K

TOTAL UNITS
(Franchised / Co.-Owned)
259/1

122 Duck Donuts Franchising

STARTUP COST
$348.4K–$568K

TOTAL UNITS
(Franchised / Co.-Owned)
82/1

123 Assisted Living Locators

STARTUP COST
$68.5K–$78.1K

TOTAL UNITS
(Franchised / Co.-Owned)
113/2

124 GarageExperts

STARTUP COST
$51.4K–$143.99K

TOTAL UNITS
(Franchised / Co.-Owned)
90/0

125 Charleys Philly Steaks

STARTUP COST
$253.2K–$582.3K

TOTAL UNITS
(Franchised / Co.-Owned)
562/59

126 Goldfish Swim School Franchising

STARTUP COST
$1.4M–$3.2M

TOTAL UNITS
(Franchised / Co.-Owned)
101/1

127 Green Home Solutions

STARTUP COST
$51.6K–$154.1K

TOTAL UNITS
(Franchised / Co.-Owned)
207/0

128 Nurse Next Door Home Care Services

STARTUP COST
$105.1K–$199.3K

TOTAL UNITS
(Franchised / Co.-Owned)
163/9

129 InXpress

STARTUP COST
$85.6K–$169.99K

TOTAL UNITS
(Franchised / Co.-Owned)
355/0

130 PuroClean

STARTUP COST
$72.8K–$192.6K

TOTAL UNITS
(Franchised / Co.-Owned)
285/0

131 Staybridge Suites

STARTUP COST
$11.3M–$15.5M

TOTAL UNITS
(Franchised / Co.-Owned)
292/0

132 Kumon Math & Reading Centers

STARTUP COST
$74.4K–$156.6K

TOTAL UNITS
(Franchised / Co.-Owned)
26,256/22

133 Made in the Shade Blinds and More

STARTUP COST
$53.4K–$61K

TOTAL UNITS
(Franchised / Co.-Owned)
102/1

134 Candlewood Suites

STARTUP COST
$8.99M–$12.4M

TOTAL UNITS
(Franchised / Co.-Owned)
401/0

135 Lawn Doctor

STARTUP COST
$100K–$116.1K

TOTAL UNITS
(Franchised / Co.-Owned)
592/0

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136
360 Painting
STARTUP COST
$90.5K–$132.5K
TOTAL UNITS
(Franchised / Co.-Owned)
133/0

137
Soccer Shots Franchising
STARTUP COST
$41K–$53.95K
TOTAL UNITS
(Franchised / Co.-Owned)
223/9

138
HomeSmart International
STARTUP COST
$65.5K–$205K
TOTAL UNITS
(Franchised / Co.-Owned)
125/40

139
Experimax
STARTUP COST
$142K–$351.1K
TOTAL UNITS
(Franchised / Co.-Owned)
126/4

140
Bloomin' Blinds
STARTUP COST
$62.6K–$137.4K
TOTAL UNITS
(Franchised / Co.-Owned)
64/0

141
ACFN
STARTUP COST
$39.1K–$64K
TOTAL UNITS
(Franchised / Co.-Owned)
277/0

142
Christian Brothers Automotive
STARTUP COST
$461.3K–$566.4K
TOTAL UNITS
(Franchised / Co.-Owned)
203/1

143
Matco Tools
STARTUP COST
$93.4K–$272.7K
TOTAL UNITS
(Franchised / Co.-Owned)
1,812/2

144
Two Maids & A Mop
STARTUP COST
$60.9K–$144.4K
TOTAL UNITS
(Franchised / Co.-Owned)
86/1

145
Fiesta Auto Insurance and Tax
STARTUP COST
$67.1K–$120.6K
TOTAL UNITS
(Franchised / Co.-Owned)
207/0

146
Vitality Bowls
STARTUP COST
$170.1K–$604K
TOTAL UNITS
(Franchised / Co.-Owned)
68/5

147
The Patch Boys
STARTUP COST
$47.8K–$75.3K
TOTAL UNITS
(Franchised / Co.-Owned)
95/0

148
FirstLight Home Care Franchising
STARTUP COST
$110.9K–$167.9K
TOTAL UNITS
(Franchised / Co.-Owned)
184/0

149
College Hunks Hauling Junk & Moving
STARTUP COST
$95.7K–$231.2K
TOTAL UNITS
(Franchised / Co.-Owned)
139/2

150
Cornwell Quality Tools
STARTUP COST
$59.5K–$272.8K
TOTAL UNITS
(Franchised / Co.-Owned)
698/0

PHOTOGRAPH BY LANS STOUT/BRIGHTWAY INSURANCE

108/ Brightway Insurance

BRIGHTWAY INSURANCE IS making it easier than ever for new people to join its system. In June, the company announced a new option for franchisees to open its office agency model for a franchise fee of just $5,000. Franchisees taking this route can start out working from home, open up to two locations, and hire remote workers, though they will receive a lower commission rate than those who opt to pay the higher franchise fee of $30,000 for an office agency or $60,000 for a retail agency model.

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Make Every Minute Count

by Lawrence Lenihan, cofounder and chairman, Resonance

I started my career in 1987 as a new member of the New York City–based U.S. marketing and sales division of IBM. I was just a kid, so a team of senior reps took me under their wings and showed me the ropes.

The lead rep was a man named Frank. He kept a small hourglass on his desk, and the first time I asked him what it was for, he said it was "to time the five minutes of stupidity I can tolerate before telling someone to leave." I didn't know him well enough at the time to understand whether he was kidding or serious, but I'd been told to listen to whatever Frank said. So I did.

Over the next year, I learned that Frank was tough but thoughtful. He taught me everything I needed to know about the company, sales, and customers. But it was the day I left his department (I'd been promoted to a different team) that he taught me the most valuable lesson.

He gave me his tiny hourglass as a parting gift, and when I joked that I'd use it the same way he did—to time my tolerance of stupidity—he didn't laugh. He told me that the trinket's real purpose was to remind him that time is always passing. He hadn't always kept that in mind throughout his career, he said; he wanted to make sure I would.

As a 23-year-old, the lesson felt abstract, and time felt infinite. I kept the hourglass on my desk, but I didn't think about it much.

Today I think about it quite a bit. After several years at IBM, I left to cofound Pequot Ventures, a VC firm that later became FirstMark Capital. I left venture capital in 2015 to start a business called Resonance, a cloud-based technology platform that reimagines every facet of the fashion industry, from raw materials to delivery to the customer's doorstep. It enables brands to design, sell, and make one garment sustainably and on demand.

Those years of different career choices, each of which stretched my skill set, made the meaning of the hourglass clear: Time is precious. Nothing much may change in the five minutes that the timer actually tracks, but piece them all together and they become your hours, your days, and your weeks.

If you're not spending them doing what you love, challenging yourself to grow and build and evolve, then you're simply wasting your time. Frank never wanted that for me. I hope I haven't disappointed him.

TIME'S UP An hourglass reminds Lenihan that if you're not passionate about what you do, you're simply wasting your time.

PHOTOGRAPH COURTESY OF LAWRENCE LENIHAN

WHAT INSPIRES YOU?
Tell us about a story, person, 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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