



LIVING THE DREAM

How to transition from the
workforce to your own franchise



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First you dreamed about it; then you debated it; and now you are ready to actually do it – you are going to leave the workforce and go into business for yourself.

Bin There Dump That wants to congratulate you on this exciting move. We also want to help ensure that your transition from the workforce goes as smoothly and successfully as possible. That's why we've put together this comprehensive guide, packed with the insights and advice you need to go from employee to entrepreneur.

Are you ready to live your dream? Then read on.



FRANCHISE OR INDEPENDENT BUSINESS VENTURE: WHICH IS RIGHT FOR YOU?

When looking to go into business for yourself, you have two options to consider: franchises and independent business ventures.

Both options offer advantages and disadvantages, and it's important for you to thoroughly understand these distinctions before pursuing a path for your future.

Franchising: A Model For Success

The biggest advantage of a franchise opportunity is the infrastructure for success that is already in place. Successful franchises have established, repeatable and scalable business models, making it easy for new franchise operators to get their businesses up and running quickly and turn a profit.

On the other hand, while the idea of being in business completely *for* yourself may be enticing, the idea of being in business completely *by* yourself can be scary. That's because owners of independent businesses must build everything – their operations, their customer base and their profitability – from scratch, which can be a daunting challenge.



Here are some other ways that franchise opportunities compare to independent business ventures:

	Franchise	Independent Business
Costs	Startup costs for franchise operators are relatively low; they pay an initial franchise fee and leverage the buying power of the franchise to procure required equipment at a reduced price. Franchise operators also typically pay an ongoing royalty to the franchise owner.	Independent business owners are likely to have higher investment costs to buy and operate their business. However, they do not have to pay continued royalty payments.
Brand Recognition	Franchises come with built-in brand recognition, making it easier to establish operations and attract customers in a new market. However, if the franchise gains negative publicity or has its brand name tarnished, it could reflect poorly on franchise operators. That's why it is important to choose your franchise wisely.	Independent business owners start with a clean slate, but they also need to invest heavily in marketing in order to build their brand and let customers know what they are all about.
Territory	Along with a name and a logo, the best franchise opportunities also offer territorial exclusivity – the right to be the only franchise operator in a particular area (with a guaranteed number of potential customers).	You won't have to worry about competing with other companies that share your name, but you will have to compete against other, more well-known companies in your industry and in your area.
Training and Support	Franchise operators can tap into the expertise and resources of the franchise whenever it is required. Other franchise operators can also provide guidance.	Independent business owners lean heavily on peers, former co-workers and family members for support. Having great mentors is crucial for success during stressful times.
Success Rate	According to a recent study by FranNet, <u>91.2 percent of new franchises are still open after two years and 85 percent were operating after five years.</u> The report stresses the importance of finding the right match between franchise operator and franchise opportunity.	<u>About 25 percent of all new businesses fail within a year; 36 percent fail within two and 55 percent fail within five.</u>

WHY ARE YOU LEAVING THE WORKFORCE?

Despite the recent tumult in the economy, more than 2.5 million people quit their jobs every month, and they are doing so for a variety of reasons. According to a recent study by Accenture, the main factors that drive employees to resign are:

- They aren't being recognized for their contributions (43 percent)
- They hate the internal politics in the workplace (35 percent)
- They don't like their bosses (31 percent)
- They don't feel empowered (31 percent)



Whatever your motivation for leaving your current job, becoming a franchise operator can be a great move for your career, for your finances and for your future. Here's why:

- **Happiness:** Building your business and watching it grow is an extremely rewarding experience – much more rewarding than being a cog in a corporation. In fact, according to a recent study, starting your own business can be the key to a more satisfying life.
- **Something to pass on:** Most people work to support their families, but franchise owners can pass their work onto their families. Your hard work can pay off for generations.
- **Networking opportunities:** You will have ample opportunity to expand your professional network, as you can meet with other franchise owners and other business leaders in your community.
- **You create the culture:** You can create an environment that you would want to work in. If you want to recognize your employees, you can. If you want to guard against petty politics, you can. You set the tone.

- **Generous tax breaks:** You can write off a variety of expenses, including travel, phone bills, car payments, dining and many others.
- **Financial independence:** You won't be beholden to a corporate budget; you can make as much as you can earn. All your efforts translate into money in your pocket; not somebody else's.
- **Job security:** If you have ever been fired, laid off or downsized, you know how scary and stressful the experience can be. As the head of your own franchise operation, you won't have to worry about being surprised by a job loss.
- **Creating opportunities for others:** As an employer, you will be directly responsible for helping people in your community find work and put food on their tables.



- **Work-life balance:** This is where being a franchise operator offers significant advantages to being an independent business owner. You won't have to do the heavy lifting required when starting a brand new company; the operational model, the advertising, the products and the blueprints for success will already be in place. Of course, you must take an active role in ensuring the success of your franchise operation, but if you build a great team and effectively delegate responsibilities, you will enjoy your work – and your career – more than you ever thought possible.

WHAT MAKES A GREAT FRANCHISE OPERATOR?

While the benefits of running a franchise are clear cut, not everyone is cut out to be a great franchise operator.

Joel Libava, the renowned author and self-proclaimed “Franchise King” believes that being a great franchise operator requires the right mix of temperament and expectations. Franchise operators, he said, must be willing to fully buy into the franchise model, accept established rules and expect to play by them without letting egos get in the way.

“If you’re generally comfortable with following someone else’s rules and have a strong desire to be in business for yourself, franchise ownership is an option you should explore,” he said. “However, if you don’t have a very good track record of toeing the line – and instead really prefer to make your own rules – then becoming a franchise owner may not be the way to get into business for yourself.”

John Ferracuti, Vice President and General Manager of Bin There Dump That, has more than 20 years of franchise experience – both as an owner and an operator. He also emphasized the importance of being willing to commit to the franchise operating model. In fact, that’s the first thing he looks for in potential franchise operators.

“A good franchise operator is a person who understands that they are investing in a proven brand and model, and that their best chance of success comes if they follow the model and don’t deviate,” he said. “That is always the most important quality in a franchise operator.

”However, to truly excel as a franchise operator – to go from good to great – new franchise operators must also be great at customer service and marketing.

“The difference between a good one and a great one is that a great franchise operator understands the importance of the model and follows it, but he or she also understands the necessity to do their local sales and marketing regularly,” he explained. “The great ones schedule time every single week to contact all their existing and potential customers, and they make it a real priority to build their businesses. You can’t just sit back and wait for people to find you on the Web.

“Our best franchise operators always understand the importance of providing an exceptional customer experience. We call it ‘delivering the friendly.’ Our industry is filled with competitors who provide a lousy customer service experience, and our ability to deliver the friendly really sets us apart.”



THE RIGHT MOVES FOR MAKING YOUR MOVE

Even if you have everything that it takes to be a great franchise operator, you still need to take the right steps in order to be a successful one. Here they are:

Set your initial income — and expectations

There are a variety of expenses that you will incur as a franchise operator or business owner – perhaps none more important to you than your salary.

For the first time, your wages will count both as income (for you personally) and as an expense (for your business), and you'll want to strike the right balance, especially in the beginning while you get your new franchise up and running.

To calculate your initial pay, determine your monthly expenses – bills, mortgage, car payments, etc. Be sure to account for basic living expenses, including food and groceries.

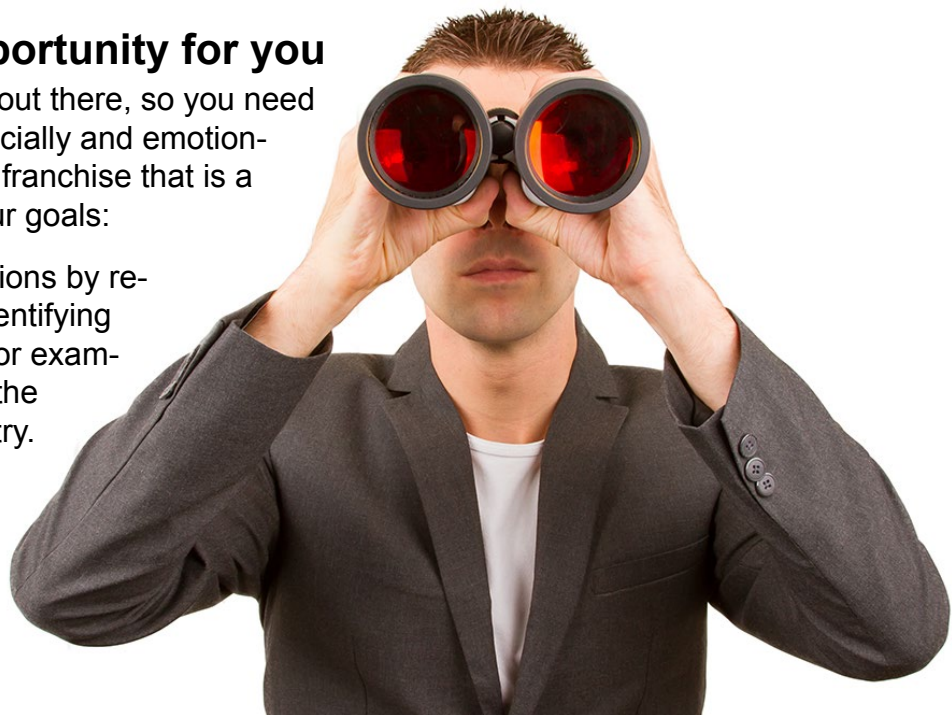
If you can pay down any outstanding debts before starting your franchise operation, that will help reduce the amount of money you have to take out of your business and improve your chances of obtaining financing. You can also get more out of your salary without taking more out of your business by replacing luxuries with necessities – don't dine out every day, swap your daily Frappuccino with a home-brewed cup of coffee, etc.

Once you have determined your new salary, try living with it – and sticking to it. It's important to make sure that you are comfortable with this new financial reality before committing to it. If you are comfortable, then proceed to the next step.

Identify the best franchise opportunity for you

There are thousands of franchise systems out there, so you need to do your homework before jumping (financially and emotionally) into one. Follow this advice to find the franchise that is a match for your skills, your finances and your goals:

- Start narrowing down your list of options by researching different industries and identifying ones that are robust and growing. For example, Bin There Dump That is part of the \$40 billion trash management industry.



Living The Dream: *How To Transition From The Workforce To Your Own Franchise*

- Within those industries, seek out reviews and reports for different companies on the Better Business Bureau website to ascertain each company's reputation in the marketplace and among consumers.
- Search for recent news and headlines about the company to make sure there is nothing negative or worrisome.
- Thoroughly review each franchise's website to learn as much as you can, and to see how each one goes to market.
- Ask for the franchise disclosure document, which contains details about the franchisor's background, business operations, financial situation, cost structure and more. Review the document thoroughly, and ask for clarification on anything and everything that needs it. If a franchisor can't provide the right answers, it probably isn't the right opportunity.
- Find out about franchise fees and royalty payments, and find out what you get for your money. Don't settle on the cheapest option; instead look for one that provides the best Return On Investment (ROI) in the form of territorial exclusivity, sustainable equipment, robust training, marketing support and proven results.
- Consult with existing franchise operators: Nobody understands what it takes to make the transition like people who have already done it. Consider calling other franchise operators to gauge their opinions, concerns and advice. Also, use this opportunity to get a better idea of what your responsibilities and commitments will be as a new franchise operator.

Prepare your family

The transition from employee to franchise operator can be a stressful one – especially without the support and understanding of those you care about. That's why, once you've made your decision to join a particular franchise family, you need to let your real family know, too.

Make sure they know why you are making the change, what the move will mean to for you in terms of time, availability and income, and explain how they can help. Be clear and upfront, and take their questions and concerns seriously. After all, they may think of something that you hadn't.

Be confident and committed

After doing your due diligence, selecting your franchise and preparing your family, the real work begins. Now, you will have to run the business. Make sure you are prepared to give it your all, in terms of focus and effort, in order to ensure it is successful. Anything less than 100 percent may hold your new venture – and you – back from realizing your dream.

COMMON FIRST-TIME FRANCHISE OPERATOR MISTAKES

When it comes to getting your franchise off to a fast – and successful – start, knowing what not to do is just as essential as knowing what to do. So while you are making the transition, be sure not to make common mistakes.

According to Ferracuti, there are only two reasons why people fail in a proven and successful franchise network:

- They invest in a proven model and then they don't follow it.
- They are undercapitalized, making it impossible to grow their businesses at the proper rate.

To avoid these mistakes, follow his advice:

- **Don't reinvent the wheel:** The reason why you chose the franchise in the first place is because it was successful, and it was successful because it had a winning operational approach. Don't try to change what's working – follow the model.
- **Leverage the resources at your disposal:** Don't be afraid to tap into the centralized and nationwide resources of your franchise. For example, at Bin There Dump That, we maintain a Super Support Team to coach each franchise operator and to provide the insight and advice necessary to make them as successful as possible. You can also consult with fellow franchise operators, as we operate as one big team.
- **Budget for growth:** You probably had to secure financing to get your franchise off the ground, but those startup funds should only be just that – a start. Make sure to continually secure the capital you need to grow and don't wait until you absolutely need the money. Be prepared to take advantage of every opportunity.



EXPECT THE UNEXPECTED: UNPLANNED POSITIVE AND NEGATIVES

No matter how much due diligence you perform, how many books you read, or how many mentors you consult, there will be a few surprises – both positive and negative – that arise when you officially open up your own business. Here are a few of them that you may encounter:

You will be the boss – and the secretary, the hiring manager, the accountant and so much more: Many first-time franchise owners come from the corporate world where there is staff to see to the administrative and transactional tasks. These tasks will often fall on the shoulders of the new franchise owner - especially in the beginning stages, before you start hiring employees.

You will have help when you need it: While there will be a lot on your plate, there will be a support network there to help you manage it. Good franchisors make themselves available to new franchise operators, guiding them through the start-up process and throughout the maturation of the business.

You will learn more about HR than you ever thought possible: You may have managed people before, but you probably haven't managed all aspects of personnel. There's a ton of paperwork to be filed, countless regulations to comply with and numerous distractions that will pop up. You'll need to become an expert in the field, and quickly. Getting the proper training is essential.



You'll learn more about yourself, too: Just like in any job, you will be faced with different challenges and opportunities; but as the boss, you'll finally have the freedom to overcome and take advantage of them as you see fit. You can stretch your skills, learn new ones and gain more experience in more aspects of business than you could while working as a traditional employee. It's a truly empowering and enlightening situation.

You will be able to find balance: Owning a business is a lot of work, and it requires a tremendous amount of time and commitment. However, owning a franchise should allow you to strike the right work-life balance. In fact, at Bin There Dump That, we expect it. We encourage our franchise operators to take time away from their businesses, as we believe it helps them gain perspective and maintain a positive mental outlook.

GET THE SUPPORT YOU NEED: JOIN THE BIN THERE DUMP THAT FAMILY

Realizing your dream is a lot simpler when you have a support system in place: Become a Bin There Dump That franchise operator!

Your goal when transitioning from the workforce to owning a franchise is to become profitable as quickly as possible and successful for years to come.

Our goal is to help you reach yours.

Our Super Support Team takes a proactive role in guiding new franchise operators from startup to break-even to profitability as expeditiously and effectively as possible. But we don't stop there; we continue to coach our franchise operators, giving them the support and insight they need to grow year after year. For example, we continually analyze key performance indicators (KPIs) to make sure your new business remains on track at all times, and we share best practices from throughout our network of franchise operators.

We also recognize that the best resource for a new franchise operator is an existing franchise operator, and that's why we facilitate networking and learning events – like our annual convention – that bring people and ideas together.



This approach has helped hundreds of people make a successful transition while making a great income in the process. If you want to be next, visit www.bintheredumpthatfranchise.com today.