



**JULY 2014 -  
JUNE 2015**

# FRANCHISE ACTION NETWORK ANNUAL REPORT

**Locally owned franchises are America's hidden small businesses.**

Behind many familiar logos and trusted brands are small business owners seeking to increase opportunity—not just for themselves—but for their entire community. By joining together to form the Franchise Action Network, we seek to create jobs and strengthen America's economy.



**FRANCHISING**  
Building local businesses,  
one opportunity at a time.



A Strategic Initiative of the International Franchise Association



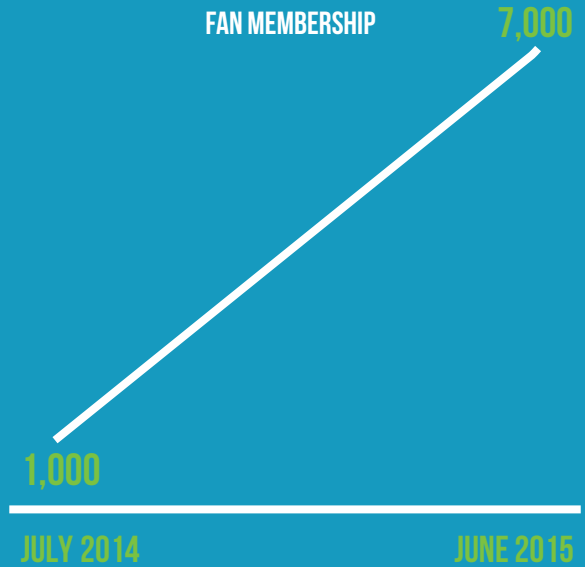
IFA Past Chairman and Choice Hotels President & CEO Steve Joyce signs up to be the first member of the Franchise Action Network.

# INTRODUCTION

Since its launch in July of 2014 as a rebranded and more focused effort of the Franchise Congress program, the Franchise Action Network (FAN) has become the industry's first layer of defense against public policy and regulatory threats. In just one year, **FAN has grown from approximately 1,100 members to over 7,000 advocates fighting on behalf of the franchise business model – a growth of over 500 percent.**

The Franchise Action Network provides an advocacy hub to engage franchise stakeholders through recruitment videos, testimonials and blogs, franchisee, franchisor and supplier toolkits, current media and news, and informational and educational pages on local, state and federal legislation impacting franchising. The FANmail newsletter keeps advocates informed and engaged about IFA's advocacy activities and was launched as a cornerstone of the program.

While continuing to promote the benefits of franchising, FAN has launched a branding and digital advertising campaign educating federal and state lawmakers and bringing to the forefront the impact of franchising by raising awareness of the positive aspects of the business model and showing the faces behind the brands.



# ADVOCATE ACTIVITY OVERVIEW

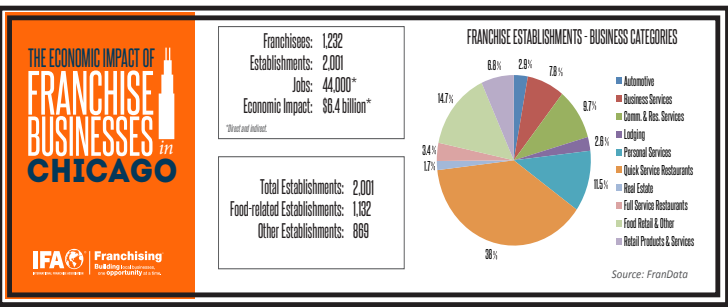
## JULY & AUGUST 2014 CALIFORNIA SENATE BILL 610

In 2014, a **massive grassroots advocacy campaign was organized to oppose California Senate Bill 610**. Over two dozen FAN advocates met with more than 75 key state legislators and the governor's office in Sacramento. FANs sent **more than 370 letters** to state legislators and the Governor via FAN's online advocacy hub. FANs also had 13 in-district meetings with legislators and California franchisees were featured in a paid advertising campaign opposing the bill. All of these coordinated efforts eventually resulted in a Governor's veto of SB 610.



California FANs meet with State legislators to discuss franchise relations.





**CHICAGO MINIMUM WAGE WIN**

In August, FANs testified at several preliminary hearings and met with the Chicago City Council’s Committee on Workforce Development and Audit in a preemptive and victorious effort to dissuade mayor Rahm Emmanuel and the city of Chicago to include discriminatory aspects in their wage increase.



IFA Chair Melanie Bergeron of TWO MEN AND A TRUCK leads an issue discussion with Tim Davis of The UPS Store, Saunda Kitchen, Mr. Rooter franchisee and Matthew Patinkin, Auntie Anne’s franchisee at the Public Affairs Conference.



FANs meet with House Majority Leader Kevin McCarthy (CA-23) in the US Capitol.

**SEPTEMBER 2014**

**IFA’S PUBLIC AFFAIRS CONFERENCE – THE PREMIER ADVOCACY EVENT OF THE YEAR**

During the 2014 IFA Public Affairs Conference, IFA’s premier grassroots event, **nearly 400 IFA members met with 219 members of Congress** and their staff to discuss the issues impacting the franchise industry. Among this broad base of members were FANs encompassing franchisees, franchisors and suppliers. During the conference, FAN invited members of the network to discuss pressing issues within the industry, as well as to take part in a Q & A session with panel members. The message was clear from the onset, that **we need to work to educate the lawmakers about franchising and the franchise business model**, why it is successful for each of the attendees and why those who seek to change it are misguided or misinformed. The meeting participants asked their Members of Congress to sign onto a letter to the NLRB’s General Counsel requesting that the Board release the reasoning behind its actions on joint employer. Thanks to these efforts the letter gained over 120 signatures from Representatives and Senators from both political parties.



The California FAN delegation meets to discuss their advocacy strategy for the day on Capitol Hill.



IFA Board member and FASTSIGNS CEO Catherine Monson testifies in Congress with FASTSIGNS franchisee Clint Ehlers on joint employer.

**FASTSIGNS CATHERINE MONSON & CLINT EHLERS TESTIFY ON JOINT EMPLOYER**

On Sept 9th, 2014, Catherine Monson, CEO of FASTSIGNS & FAN of the Year recipient, and Clint Ehlers, FASTSIGNS franchisee testified before the House Committee on Education and the Workforce, on “Expanding Joint Employer Status: What Does it Mean for Workers and Job Creators?”

## OCTOBER 2014

A day of advocacy meetings were held in Harrisburg, Penn. that included meetings with legislative staff at an emerging franchisor location and a joint employer meeting with the Philadelphia Franchise Business Network. Pennsylvania franchisees also met with state legislators to discuss the business model.

## NOVEMBER 2014

The Franchise Action Network received press coverage in number of trade publications and regional and national news outlets touting the new initiative.



Welcome to the FAN Club

### RestaurantNews.com

International Franchise Association's Franchise Action Network (FAN) Played Key Role in Veto of California Senate Bill 610



### Entrepreneur

Why Former Employees Make Great Franchisees



In Defense of Franchises

An advertising campaign ran in POLITICO featuring FANs and highlighting their businesses and communities – showing the faces behind franchise small businesses. **The email messages reached over 25,000 people** who are currently opted-in subscribers of Politico's Morning Shift newsletter. Additionally, the ads featured online performed well above Politico's site average, getting nearly 3 times as many clicks as the typical banner ads – **generating 401,058 impressions and nearly 700 total clicks.**

Local franchise business owners **Jeff Tews** and **Susan Rather** found success through BrightStar. BrightStar found Jeff and Susan through franchising.

Find out how at

[www.franchisefacts.org](http://www.franchisefacts.org)

Learn about the model that allowed **Saunda Kitchen**, owner of **Mr. Rooter Plumbing of Sonoma County**, to become an independent franchise small business owner.

[www.franchisefacts.org](http://www.franchisefacts.org)



Virginia FANs meet with newly-elected Rep. Barbara Comstock (VA-10) at a local Applebee's.

## DECEMBER 2014

In December, FAN and the Coalition to Save Local Businesses began its **nationwide roundtable circuit focusing on the joint employer issue** with events in Auburn, NH and Sterling, Va. on Dec. 16, 2014. The New Hampshire event was with Rep. Frank Guinta (NH-1) at a local Visiting Angels location. The Virginia event was with Rep. Barbara Comstock (VA-10) at a local Applebee's.



**COALITION TO SAVE LOCAL BUSINESSES**

# MORE TIME FOR FULL TIME

## JANUARY 2015

FANs called on Congress, submitting over **1,000 messages to their Senators and Representatives, for a return to a 40-hour work week.** The bill, H.R. 30, the Save American Workers Act, passed the House with bipartisan support. IFA launched the More Time for Full Time Coalition in support of the legislation.



IFA Board Member and FASTSIGNS CEO Catherine Monson is presented the FAN of the Year award by IFA Chair Melanie Bergeron of TWO MEN AND A TRUCK.

## FEBRUARY 2015 FAN OF THE YEAR AWARD

FASTSIGNS CEO Catherine Monson received the first annual **FAN of the Year Award** for her tireless efforts to protect, promote and enhance the franchise industry through the Franchise Action Network in 2014.

### "WHO'S THE BOSS"

During the Senate Health, Education, Labor & Pensions (HELP) Committee hearing on Feb. 5 2015,

entitled "Who's The Boss? The 'Joint Employer' Standard and Business Ownership," FANs Gerald Moore, of The Little Gym in Mt. Pleasant, South Carolina and John Sims, of Rainbow Station in Richmond, Va. testified before the Committee about the potential redefinition of the joint employer standard and the detrimental impact it would have on the franchise small business model as we know it.



Gerald Moore, Owner of The Little Gym of Mt. Pleasant, South Carolina and John Sims, Owner of Rainbow Station of Richmond, Virginia testify in the Senate HELP Committee in a hearing entitled "Who's the Boss" regarding joint employer.

### IN-DISTRICT MEETINGS CONTINUE WITH MEMBERS OF CONGRESS

**Senator Dean Heller (NV) met with local business owners** and FANs in Las Vegas, NV for a roundtable focused on the impacts a redefinition of joint employer will have on their businesses.

Also in February, over 10 Minnesota **FANs hosted Chairman of the House Education and Workforce Committee John Kline (MN-2)**, at a local Anytime Fitness franchise location.



Minnesota FANs with House Education and Workforce Committee Chair Rep. John Kline at a local Anytime Fitness.



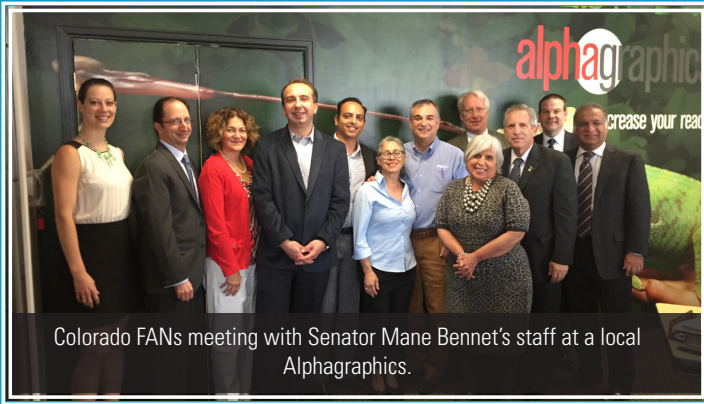
California FANs at the third annual California Franchising Day.

## MARCH 2015

FAN hosted the **third annual California Franchising Day**. In anticipation and preparation of the reintroduction of another franchise relationship bill, more than 20 franchise stakeholders from a diverse range of industries converged at the California Capitol to educate members and reiterate the importance of franchising to the California economy.

Participating brands:





Colorado FANs meeting with Senator Mane Bennet's staff at a local Alphagraphics.

### ADDITIONAL JOINT EMPLOYER ROUNDTABLE EVENTS

Wynn Esterline, Home Instead Senior Care owner in Adrian, Michigan hosted Rep. Tim Walberg (MI-7) to address concerns about the impacts the NLRB's proposed changes would have on his business.

In addition to the other joint employer educational roundtables, FANs have hosted or participated in events for the following Members of Congress: Evan Jenkins (WV-3), Cathy McMorris Rodgers (WA-5), Robin Kelly (IL-2), Denny Heck (WA-10) and Senator Mark Bennet (CO).



### APRIL 2015

On April 14, over a dozen FANs from a variety of franchise brands converged at the North Carolina Capitol in Raleigh for **North Carolina Franchise Day**. The delegation met with six legislative offices, including Senate Finance Committee Co-Chair Sen. Rucho.

#### Participating brands:



### MAY 2015

FAN rolled out its branding and digital advertising campaign educating federal and state lawmakers and bringing to the forefront the impact of franchising; first by raising awareness of the positive aspects of franchising and showing the faces behind the brands and second by shaping the narrative and turning our audience into engagers.



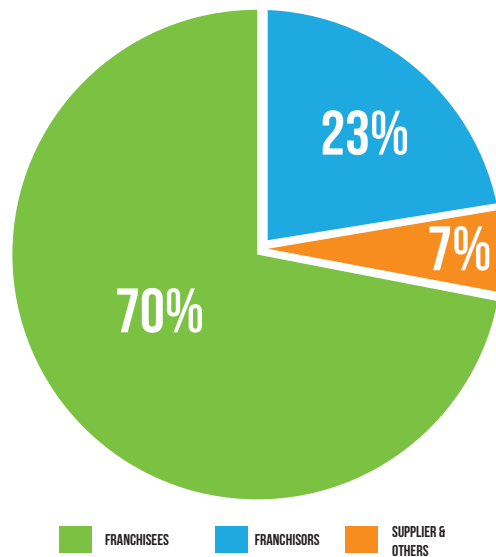
## ADDITIONAL ACTIVITIES

- IFA staff have attended over a **dozen industry trade show and expo events** in addition to a number of **brand-specific franchise advisory councils and conventions**.
- IFA representatives have **hosted multiple webinars** for FAN recruitment and engagement, **legislative updates and issue briefings**.
- Over **4,200 emails delivered to congressional offices** on various key issues such as 40 hour work week and joint employer.
- IFA staff and local FANs have participated in several **Franchise Business Network events** to educate stakeholders on legislative issues and encourage involvement and engagement.

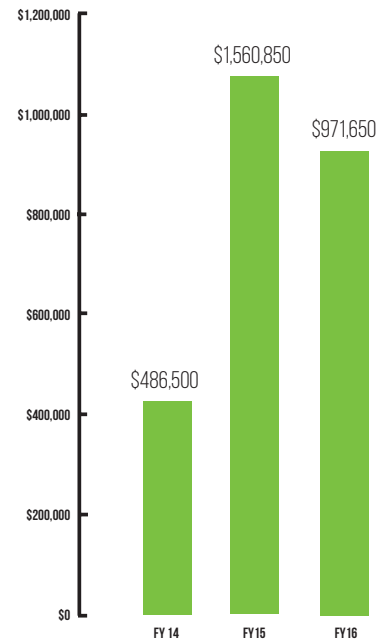
# FAN BY THE NUMBERS

Since the launch of the Franchise Action Network, **we have grown our advocate base by over 500 percent.** When we rebranded the grassroots network as the Franchise Action Network (FAN) in June, from what was then Franchise Congress, we had had roughly 1,100 people participating. Since then, **FAN has grown to over 7,000 members in under a year,** adding over 6,000 people through our industrywide recruitment and engagement campaign. Below are some additional metrics that indicate the growth and advocate makeup of the Franchise Action Network today:

1. FRANCHISEES MAKE UP 70% OF FAN MEMBERSHIP



2. FAN HAS RAISED \$3 MILLION FROM OVER 50 BRAND COMPANIES



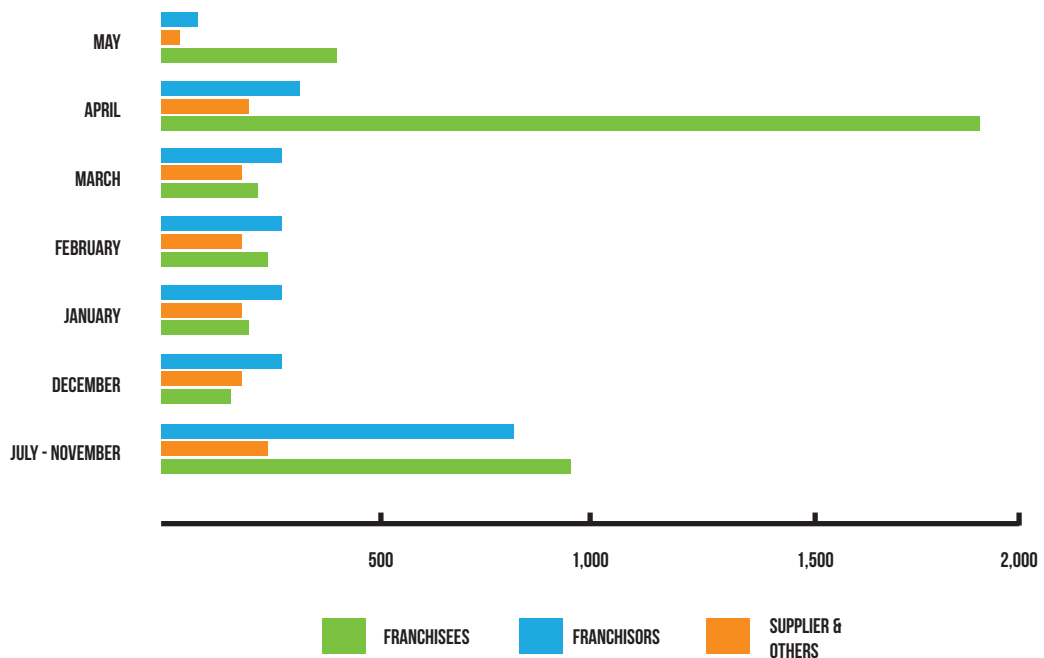
**TOTAL: \$3,019,000**

1 FANs by Member Type: This graph illustrates the percentage of FANs in each member category.

2 FAN Financial Support: This graph illustrates the financial contributions for each fiscal year.

3 FANs: This graph illustrates the growth of the FAN since inception by month and member type.

3. FAN GROWTH BY MONTH



## THE FRANCHISE ACTION NETWORK (FAN): *WHAT* IS IT? *WHY* DO WE NEED IT?

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*From discriminatory wage increases to federal regulations that would recast franchisors as employers of their franchisees' employees, the franchise industry is under unprecedented attack. That's why we formed the Franchise Action Network (FAN)—a community dedicated to protecting franchise small business.*

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### FAN: Frequently Asked Questions

#### **Q. What is the Franchise Action Network (FAN)? Who are the members?**

A. The Franchise Action Network is a national network of franchisees, franchisors, and suppliers like you! We are dedicated to protecting the franchise business model from recent threats. Simply put: FAN is the best way for you to get engaged and protect your business. We are a coalition of the franchise industry in each state and city, all promoting a single mission statement:

*Locally owned franchises are America's hidden small businesses.*

*Behind many familiar logos and trusted brands are small business owners seeking to increase opportunity—not just for themselves—but for their entire community. By joining together to form the Franchise Action Network, we seek to create jobs and strengthen America's economy.*

#### **Q. Why should I join the Franchise Action Network?**

A. Being engaged and telling your story is the best way to protect your business. Legislators need to know about the franchise model, what you do on an everyday basis, and how that impacts your local community. We've seen a real lack of understanding as it relates to our industry over the last few years. FAN will help you tell that story and promote your business. It's time to get proactive and FAN gives you the tools to do that. The future of our industry is in your hands, it's time to step up and take action.

#### **Q. How can I help?**

A. There are a number of ways to get involved: 1) Join the Franchise Action Network! [www.FranchiseActionNetwork.com](http://www.FranchiseActionNetwork.com) 2) Follow FAN on Facebook and Twitter, @FranchiseAction, to stay in the loop about what's happening in your community and state. 3) You can send an email or letter to your legislator about issues impacting your business. 4) On the website we've provided toolkits for you to utilize in and share with your colleagues and peers. There's no limit to the ways you can help!

#### **Q. Is there a cost associated with joining the Franchise Action Network?**

A. No! All we ask for is a little bit of your time when needed. Help us help you, by educating law makers and protecting franchising against legislative threats.

#### **Q. Where can I learn more about FAN and sign up?**

A: Visit [www.FranchiseActionNetwork.com](http://www.FranchiseActionNetwork.com) to find out about the issues affecting franchises in your area and to become a member of the FAN. With your help, we can defend the franchise industry from today's threats while positioning our industry to combat tomorrow's challenges.

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**Take a stand for franchise small business. Join FAN today!**  
[www.FranchiseActionNetwork.com](http://www.FranchiseActionNetwork.com)



For more information, please contact Erica Farage at [efarage@franchise.org](mailto:efarage@franchise.org).