

Franchise Times

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[FFDC] Conference Coverage

CEOs to the rescue

While it's always beneficial to hear from the experts, sometimes peer-to-peer advice presents some eye-opening

moments. Attendees at the 2009 Franchise Finance & Development Conference heard from nine CEO-types

on what it working for them, and what they would do differently.

- profile by Nancy Weingartner

CHRIS HURN

Kennedy's All-American Barber Club

Give a man a beer and he'll have a straight-razor shave and a haircut, but give him a membership and you'll have him for the life of his contract.

At least that's the premise behind Kennedy's All-American Barber Club.

Chris Hurn, CEO and co-founder of Mercantile Capital Corporation, wasn't content with just funding franchises, he wanted to own one -- not as a franchisee, but as a franchisor. He had a long list of criteria for the right franchise: 15 points, actually. We'll only hit on a few here:

The ideal concept had to be a proven, simple turnkey operation that didn't compete with any of Mercantile's customers; offer above-average profitability; be ideally niched for "mass-affluents"; have the potential for introducing a synergistic line of products; and have the potential to develop a social responsibility component.

He found that in Carrs, a barbershop he frequented. One day he was sitting in the barber chair hearing the franchisee complain about the franchisor, and the next day he was phoning the franchisor to see about a possible sale.

After purchasing the chain, Hurn, a master marketer, changed



Pre-paid memberships are what keep men in the chair.

the name to Kennedy's to better reflect the "affluents" he was going after as customers. "People aren't spending less money, they're looking to get more value for their dollars," he contends.

Memberships to Kennedy's range from \$40 to \$120. Services and frequency accelerate with the higher rates, but basically include unlimited haircuts and shaves with an old-fashioned straight razor. Since most men's hair doesn't grow at an alarming rate, that's a fairly safe offer. And frequent customers become great brand ambassadors.

Putting on his lender hat, Hurn also gave some advice on finding loans. He suggested franchisors,



Chris Hurn took over a pre-paid membership barbershop where the customer is king. "We don't sell haircuts, we're all about the experience," he said, adding that straight-razor shaves have a certain Mafia mystique.

as well as prospects, interview lenders. "Ask them to show you awards or testimonials that attest to their expertise with these loans," he said. "Use experts, and ask, 'How painless and fast will the process be?'"

Another question he hears a lot is, "How much do I need down?" --

noting that the least amount is the smartest move. "Notice I didn't say, 'What's your rate?'" he said. "Most are right in line with each other. Price is not the only reason people buy -- even when people are buying money." They buy with their emotions and support their decision with facts. ■