

As a *Former Franchise Owner, Every Day is Independence Day* by Jim Lager

Part of the “*Why Smart People Fail*” business education series

When I see ads touting franchise ownership as a path to freedom...

financial independence...

being one's own boss...

I just shake my head.

After being a franchisee of three different brands spanning 4 decades, I assure you:



My Independence Day was the day I went to work in a business I owned, with a name and a logo registered in MY name... one in which I can exercise the same right to free speech as non-franchised Americans

You frequently see the term that franchises are “independently owned and operated,” which is not the same as being operated by independent business owners.

If you want freedom and independence, be an *independent business owner*.

It's called that for a reason.

“Franchise Ownership” is an Oxymoron

Like “Jumbo Shrimp” or “Trustworthy Politician,” “Franchise Ownership” is an oxymoron.

What exactly does a franchisee own?

The business name and trademarks? No.

The goodwill built from years of hard work? Not a chance.

A customer base, contacts, or even the right to their phone number? Check your franchise agreement, because... Nope.

The right to freely share your experiences, the challenges you faced, and your opinion of the franchise organization you paid weekly, for years? Absolutely not.

All a franchisee owns is *permission* to build *someone else's* brand in a *specified location* for a *specified period of time* in accordance with rules *they specify*.

And that's not ownership.

That's *sharecropping*.

Questions to Ask Those Who Pitch the Benefits of “Owning a Franchise”

Next time you hear one of these broker-types expounding on the benefits of “owning” whatever franchise they’re hawking this week, ask them this:

If I’m “in business for yourself,” will I be able call my own shots?

Decide – and act on – what I decide is best for my business?

Can I expand my territory?

Target a new market?

Can I decide to add a new product or try an unusual promotion?

Will I be able to decide where to source inventory, supplies and services... and negotiate the price?

Can my business be taken away from me at any point?

Can I sell my business to whomever I want?

And what do I actually sell... the years left on my agreement?

If I’m in business for myself, why do I constantly have to ask permission and/or fear the consequences of making my own decisions?

Franchising Provided Me a Valuable – And Very Expensive – Education

Don’t get me wrong: I gained many benefits from being a franchisee.

I made a good bit of money and I gained a valuable education.

However, my academic education was much less costly and had no strings attached.

I invested six years at 3 different colleges.

I paid tuition and I received diplomas.

The universities didn’t forbid me from sharing my college experiences.

They didn’t sue me for sharing my honest opinions with prospective students.

They didn’t follow me around afterwards like the KGB to make sure I didn’t apply my expensive education in unauthorized ways.

They didn’t have teams of overpriced attorneys on call 7 days a week to remind me that when you *buy a franchise*, you are really *selling your freedom*, if not a part of your soul.



It is not an exaggeration to say that once you sign the franchise agreement of many franchisors, they *own* you... and will not hesitate to remind you of that every chance they get.

Here's the Smart Way to Get the Franchise Education Without the Oppression

If you really want to learn what a franchise company is offering: work for a franchisee.

If that's not possible, work for the franchisor.

Don't worry if the pay is low... Even if it's minimum wage, you will be better off.

After a year or two, if you still love the business, take what you've learned and all the money you *didn't* pay the franchisor and start your own business.

You'll know how to do it... and how *not* to do it.

OR... if you've changed your mind about the concept, the industry and/or the franchisor and no longer LOVE the idea, you are free to pursue your own unlimited options without a bunch of debt, without having to comply with a non-compete agreement, without the stranglehold of an NDA and/or owing future royalties or liquidated damages to a franchisor because *their* program failed.

Either way, you'll be better off as a proud, non-franchised American.

Feel free to write me a thank-you note... though of course you're under no obligation to do so.



- Jim Lager

Jim Lager is the independent owner of JBL Hose Services LLC, DBA Texas Hose Pro. Jim have a MBA in marketing and finance and after more than 30 years of franchise experience he finally owns an independent company that is truly his.

Jim Lager's experience as a franchisee spans four decades and three national brands. He is currently independent owner of Dallas-based Texas Hose Pro.
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