

FRANCHISING A NEW START

Corporate exiles run businesses, face less risk

By Diane Mastrull
The Philadelphia Inquirer

PHILADELPHIA
Many would argue that fried chicken has nothing to do with health care. Reynolds Corea would beg to differ.

He's a former outsourcing expert who was making "easily" six figures, Corea said, when Accenture cut him loose in January 2009 after nearly 20 years.

"They called it rightsizing — they had all sorts of euphemisms for it," recalled the 50-year-old father of two college students. "But it was a layoff."

A layoff that has led Corea where so many corporate refugees have opted to go for a second career act: operating a franchise business.

Though small businesses, franchises account for some sizable economic statistics — nearly 18 million jobs and \$1.2 trillion in gross domestic product, according to the International Franchise Association in Washington. The group attributes one out of eight nonfarm, private-sector U.S. jobs to franchise businesses.

The franchise market is growing at an annual rate of 2 percent, said John A. Pearce II, endowed chairman of strategic management and entrepreneurship at Villanova's School of Business.

Part of the appeal of franchise ownership is the range of opportunity it offers, said Brian O'Keefe of O'Keefe Franchise Advisors, a Boston franchise consultant. The estimated 825,000 U.S. franchise businesses stretch far beyond sandwiches, coffee and doughnuts to include such inedible specialties as tax preparation, automobile care, home inspection and paving.

O'Keefe said his typical client "always had this longing or desire to be a business owner. They see that franchising is a great way to enter into business ownership with less risk."

As Pearce put it: "You are accepting someone else's business model, their public image, their cost structure, and you are agreeing by and large to follow their policy manual quite rigidly. That arrangement can be a source of great comfort."

Indeed, it was the idea of being his own boss while following someone else's game plan that hooked Corea. That came after a period of introspection during some Accenture-sponsored outplacement counseling. From it, Corea concluded two things about his future wants:



DAVID SWANSON / Philadelphia Inquirer
Reynolds Corea, with client Janice Campbell, started a home health-care franchise after Accenture laid him off. Many businesspeople who have lost jobs have gone into the franchise market.

» "I did not want to report to anyone else, because in corporate America . . . it is that 'what-have-you-done-for-me-lately' culture now."

» "Whichever organization I joined, it had to be the right culture, where I could run my own show — with certain guidelines."

During that period of unemployment, Corea also worked on his physical condition. While on the treadmill, he would listen to audio books. One of them, "Loyalty Rules," by Frederick F. Reichheld, set him on the road to franchise ownership. It referenced Chick-fil-A's "picky" standards for selecting franchise operators — and Accenture management alumni were among them.

What followed was an enlightening nine-month journey behind the counter at Chick-fil-A outlets at the humbling wage of \$10 an hour.

"It helped me confirm what my role should be and the kind of culture I'm looking for to work in," Corea said.

Although he embraced the company's commitment to quality service, Corea concluded: "I didn't see myself frying chicken."

What he wanted was a business that involved matching the right people with those in need. O'Keefe, the consultant, eventually led Corea to BrightStar, a predominantly home health-care chain with offices in 35 states (there is one in Indianapolis on the Far Northside).

Corea's BrightStar franchise in West Chester, Pa., which opened in January, is providing nonmedical in-home care, such as bathing and dressing clients, reading to them and helping them get around.

Corea is not ready to offer medical services but expects to be within a year at rates he acknowledges will not be the lowest in the market. BrightStar President Chuck Bailey said the chain's prices usually are \$1 to \$2 an hour higher than average "so we can pass that back to employees." Its caregivers usually are paid about 10 percent more than the industry average, he said.

"Whichever organization I joined, it had to be the right culture, where I could run my own show — with certain guidelines."

Reynolds Corea, owner of a BrightStar home health-care franchise in Pennsylvania