

**Career Transition
Center**
George P. Shultz
National Foreign Affairs
Training Center
U.S. Department of State

CTC NEWSLETTER

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“Put your future
in good hands —
your own.”

- Author Unknown

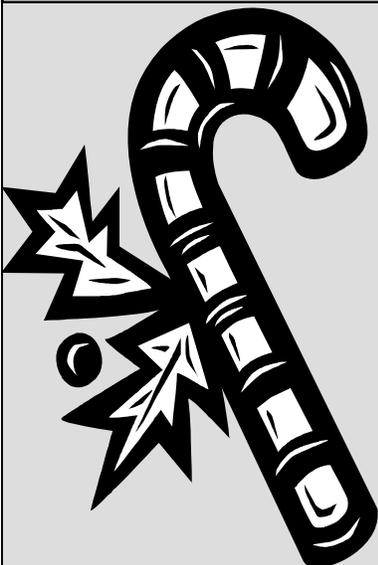
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Franchising Pros and Cons: Is Franchising Right for You?

By Randall S. Hansen, Ph.D.

If you have any kind of entrepreneurial streak in you, the allure of owning a franchise can be great. Just about any kind of product or service that interests you probably has one of more franchising operations, from fast food (Burger King), to fitness centers (Curves) to hotels (Holiday Inn), to repair shops (Meineke Car Care Center), to hair salons (Supercuts), to housekeeping services (Merry Maids), to security services (ADT), to recreation/sports (Play It Again Sports), to elder care (Comfort Keepers), to tanning (Sun Tanning Salon).

Fast food, though, remains the top franchising opportunity. According to the International Franchise Association, the estimated number of franchised locations in the U.S. is almost 400,000 in 75 industries, employing almost 10 million workers. More than 2,500 companies offer franchising opportunities. But should you start your own business or buy a franchise of an already successful business?

Some Background into Franchising

What is a franchise? It's a legal and commercial relationship between the owner of a trademark, service mark, brand name, or advertising symbol (the franchisor) and an individual or organization (the franchisee) wishing to use that identification in a business. The franchise governs the method of conducting business between the two parties. Generally, a franchise sells goods or services supplied by the franchisor or that meet the franchisor's quality standards.

Top 10 Franchises

According to the annual review of the franchise industry by Entrepreneur.com, here are the top 10 franchises for 2007:

Subway (sandwiches, salad)
Dunkin' Donuts (donuts)
Jackson Hewitt Tax Services
7-Eleven, Inc. (convenience store)
The UPS Store (shipping services)
Domino's Pizza
Jiffy Lube Int'l.
Sonic Drive In (fast food)
McDonalds
Papa John's Int'l.
Source: Franchise 500®

Think of franchising -- or at least the costs of it -- as paying for the work someone else has already done in developing a successful business model, marketing strategy, and superior operations efficiencies.

The popularity of the franchise business model has to do with its proven track record of success and ease in becoming a business owner; however, while the success rate for franchise-owned businesses is significantly higher than for independent businesses, no individual franchise is guaranteed to succeed. That said, nine out of ten franchise owners reported profit in 2002. Experts state that 40 cents of every retail or service dollar spent by consumers is spent in a franchised business. In 2000, most analysts estimated that franchising companies and their franchisees accounted for \$1 trillion in annual U.S. retail sales, with approximately one out of every 12 U.S. retail business establishments as a franchised business.

A new franchise business opens every 8 minutes of every business day.

Finding a Franchise Right for You

The key to finding a franchise opportunity that is right for you is research -- lots of research. You'll want to first decide how much of an investment you are willing or able to make. Initial fees can range from \$1,000 to more than \$200,000, and then there are the other typical start-up costs, from real estate to equipment.

The average initial franchise investment is \$250,000, excluding real estate, though there are many franchising opportunities available for smaller investments... and the average royalty fees paid by franchisees to the franchisor range from 3 to 6 percent of monthly gross sales. The average length of a franchise contract is 10 years.

After examining costs, the next step is thinking long and hard about what type of business interests you, what type best fits your lifestyle. There are any number of franchising books and franchising Websites that can help you identify some specific opportunities.

Once you've identified a few legitimate franchise opportunities that you can afford, the next research step is interviewing current franchisees to get the real scoop on earnings, support, costs. Speak with each owner and ask them all the questions you need answers for, such as if they were doing it all over again, would they do the same thing? How much marketing, consulting, and training help does the franchisor really provide? Are the earnings living up to expectations?

Of course, the other key piece of the research is examining the nature of franchising -- the pros and cons of franchising -- to help you determine if any franchising opportunity is right for you.



“Opportunity is a bird that never perches”

- Claude McDonald

Here are some of the issues you'll want to consider before making the leap into the franchise business.

Pros of Franchise Businesses

Established Brand and Customer

Base: By far, the biggest advantage of buying into an established franchise is the strength of the brand and loyalty of its customers.

Marketing Support: Franchises often have the support of a national campaign, as well as prepared marketing materials for a local campaign.

Reputable Suppliers: Franchisors often have established relationships with suppliers for all the materials franchisees need.

Business Support: There's a saying in franchising: "You're in business for yourself, but not by yourself" because you have a network of support.

Training: Some of the better (and more expensive) franchise operations offer management and technical training.

Financial Assistance: Some franchisors provide loans and other assistance to help franchisees.

Access to Proprietary Methods: There's no need to reinvent the wheel as franchisees get access to all the trade secrets.

Ongoing Research and Development, New Products: Franchisees can stick to improving their operations and let the franchisor spend the time and money developing new products.

The Boss is You: As with owning any business that you own, you are in control of your destiny.

Reduced Risk: For all of these reasons, starting a franchise of an established brand often has less risk than starting a business from nothing.

Cons of Franchise Businesses

Initial Payout (Franchise Fee and Start-up Costs): Some of the bigger franchise operations can involve very large initial costs, often more than what it would cost to start your own business.

Royalty Payments: For as long as you are a franchisee, you will have to pay some percentage of the monthly gross back to the franchisor, reducing your profit potential.

Marketing/Advertising Fees: To receive the wonderful marketing support from the franchisor, franchisees must pay these fees, according to some contracts.

Limited Creativity/Flexibility: Most franchise contracts have very explicit standards, allowing little or no alterations or additions to the brand, stifling any

creativity on the part of the franchisee. You must use their system, follow their rules.

Sole Sourcing: Some franchise contracts stipulate that franchisors must buy supplies only from an approved list of suppliers, possibly at a higher cost.

Locked into Operation by Long-Term

Contract: If you don't do as much research as you should have and find yourself with the wrong franchise, you may be stuck for many years.

Dependent on Franchisor Success: The reputation of your franchise is only as good as that of the franchisor, so any difficulties that the franchisor encounters will have a direct impact on you.

False Expectations: Opening a franchise rather than starting your own business offers no guarantees of success. You still need to be a sharp businessperson to make it work.

Risk: There's always risk in starting any new business.

Final Thoughts

Before finalizing your decision about buying into a franchise operation, include your family in the deliberations, because being the owner takes a lot more time and energy than you might think -- and your family will be affected the most by your workload.

You'll also want to consult two other experts as you make final preparations for buying a franchise. You'll want a franchise attorney to assist you with understanding all the ins and outs of the franchise contract. And you'll also want the assistance

of a consultant to help you develop a business plan, both for yourself and for any financing you may need.

Finally, if you are a true entrepreneur, then owning a franchise probably is not for you. You'll want to start your own business so you can be free to develop your own concepts, brands, systems, etc.

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How to Be a Personal Concierge



Editor's note: This article was excerpted from Entrepreneur Magazine's Personal Concierge/Shopper Start-Up Guide, copyright 2007.

Make every client feel like the most important person in the world with a personal concierge service.

A personal concierge service runs on the most basic of premises. People want things done but don't have the time to do them. But they're happy to pay someone to take care of their business efficiently and with a touch of class. Why not let that someone be you?

Although personal concierge services are a fairly recent development, the number of companies that serve time-starved clients is mushrooming, right along with customer demand for such businesses. One San Francisco-based concierge business saw its client base double in 1996 and continue to grow up to 50 percent annually for several years after that. Some 2,000 miles away, a Chicago concierge firm that began with 25 clients in 1997 grew to service more than 85 clients in just a few years. Membership in the National Association of Professional Organizers, which includes some professionals who provide concierge services, swelled from a few hundred when founded in 1985 to more than 1,100 members by the late 1990s.

Why the booming demand for concierges and organizers? A big reason is that most people have accumulated so much stuff--both in the workplace and in their homes. Just glance at your desk or kitchen counter, and you'll probably see stacks of papers, bills, correspondence, etc. In fact, in a recent survey by Steelcase, a leading Designer and manufacturer of office furnishings, 27 percent of office workers described themselves as "pilers," while 12 percent described themselves as pack rats.

Taking care of all that "stuff" requires time and organization. Some people need help just to get organized; others could manage the paperwork if they weren't saddled with so many other chores. That's when they turn to (or would like to be able to turn to) professionals to help keep them organized, run errands, and see to it that business and personal obligations are met. Although it's no secret that the



"Motivation will almost always beat mere talent"

- Norman R. Austine

personal concierge field is booming, hard numbers are difficult to come by. The National Concierge Association, a Chicago-based group that was founded in the late 1990s as a networking and resource organization for both personal and hotel concierges, doesn't yet track numbers or statistics pertaining to the industry. Cynthia A., a former hotel concierge who runs her own personal concierge business in San Diego, estimates there are a few hundred personal concierges throughout the United States, along with thousands of hotel concierges. Several other personal concierges and concierge consultants agreed with that estimate but said the number of personal concierges is growing fast.

According to Sara-Ann Kasner, president and founder of the National Concierge Association, "The concierge business is exploding right now. There has been tremendous growth." Personal concierges and industry analysts say there is plenty of room for even more growth.

A Would-Be Lawyer Builds a National Business Serving Others -- For a Fee

*By Margaret Webb Pressler
From The Washington Post Magazine,
Sunday, August 12, 2007*

At Your Service: Mary Naylor's compa-

nies help ease the errand work for busy VIPs. About to enroll in law school at American University in 1986, Mary Naylor saw an article about a California woman who had started a concierge service for office buildings and had, Mary says, "a lightning bolt moment."

Concierge services seemed like the perfect business for Washington, with its stressed-out professionals. So, at 23, Mary put off law school, moved back in with her parents in McLean (after some convincing), borrowed \$2,000 from them and started cold-calling building owners. Her pitch: to offer tenants errand-running services for such things as dry cleaning and theater tickets.

"I never had any plans to go into business, ever," she says. "It was just a fluke."

The company she started, Capitol Concierge, became a major player in the office-building concierge business in the Washington area. It also led to Mary's second venture in the late 1990s, VIPdesk, which offers concierge services to customers of national companies such as MasterCard and luxury automakers. It's that business that has exploded recently, and the companies together gross \$23 million in annual sales.

Now, Mary says, she is finally in the position she has worked so hard for: Were she to sell the company, she says, she would likely get a multimillion-dollar payout. "Was I hoping for that someday? Absolutely."

It has taken years of marathon weeks and personal sacrifice. Mary started Capitol Concierge by persuading local building owners to replace their front

desk attendants with her concierge staff for an annual fee of about \$40,000, which cost the building owners only slightly more but created happier tenants.

Within a few years, Mary presided over concierge services for 85 buildings. She and her employees scrambled around the city picking up dry cleaning, theater tickets and the like. She made \$100,000 in a good year, not much for a company president. "But I was having the time of my life," she recalls.

During the tech boom, Mary was intrigued by brand-new businesses raising millions of dollars, and she wanted in. She had inquiries from national companies interested in her concierge services, so she hired someone to run Capitol Concierge, and she raised \$12 million from venture capital investors to launch VIPdesk.

At first, Mary built several call centers across the country, with cubicles and low-wage staff. But high-end credit card customers wanted someone more "worldly" to plan their vacations and kids' birthday parties.

So Mary switched to a home-based model, using older, often college-educated concierges who wanted the perks of working from home, anywhere in the country, and could follow strict guidelines, such as no barking dogs. Well-educated women who have stepped away from careers to care for their children and want to work part time from home are common in Mary's workforce of 450.

This model helped the business take off, with 62 current clients. Mary's typical corporate account is \$500,000 a year, she says. VIPdesk has also started handling

pure customer service calls for clients such as Eddie Bauer. With this home-based concept, "the true benefits are really being picked up and noted out in corporate America," she says.

Mary, who lives in Mount Vernon, would like to sell VIPdesk and do something less consuming than a startup, such as sitting on advisory boards or getting involved with women entrepreneurs.

Of course, at age 44 and married three years, Mary is venturing into the ultimate startup: She is pregnant with her first child.

"The greatest mistake you can make in life is to be continually fearing that you will make one."

- Ellen Hubbard



When You Need Another You Dazed by Busy Schedules, More People Are Ceding Responsibilities of Daily Tasks to 'Lifestyle Managers'

By Annie Gowen, Washington Post Staff Writer, November 25, 2007

Initially, the busy McLean couple hired Ezra Glass for a few mundane chores, like waiting for the cable guy. But over time, they began giving him more intimate tasks -- planning their last-minute vaca-

tions and picking up their kids from time to time.

Now Glass takes their cars to be serviced, is a house- and dogsitter and advises them on their home audio-visual system. He planned the funeral reception for a relative, taking the death certificate and the suit for burial to the funeral home. "We've come to rely on him more and more," said Ken Nunnenkamp, 46, a lawyer. "He'll essentially do anything we can't get around to. . . . You definitely get spoiled by it."

Forget the dog walker and errand runner. Today, some busy two-career families are turning over virtually every aspect of their existence to lifestyle managers. These hired hands, who charge a monthly membership fee or up to \$100 an hour, become like an extra member of the family.

Lifestyle managers have searched for a reliable used car for a client's 16-year-old or taken over their scrapbooking project. One wrote an online dating profile for a client. Others have negotiated overseas adoptions or bailed their clients out of jail. Another was handed a brown paper bag full of insurance documents from a client's recent surgery with the command to sort it out.

"People are ceding more and more of their lives to others," said Glass, a Potomac native. "It's going to be a huge trend around here. Our clients are mostly suburban families because they have a whole range of problems to deal with -- kids, carpools, dogs, houses."

Three years ago, Glass co-founded a life

style-management company in Rockville named Serenity Now, a name inspired by an episode of the television show Seinfeld." It's modeled on similar lifestyle-management firms in vogue in Europe, where clients pay a membership fee for round-the-clock advisers who can cater to their every need, including entree into chic clubs and restaurants. Glass's clients pay a membership fee that ranges from \$450 to \$1,500 a month.

Once, lifestyle managers were a perk for celebrities and professional athletes. But now, families are hiring managers to help them through their busy lives, or at least the boring parts. Experts say the industry is on the rise because people are overwhelmed by basic tasks, their increasingly fragmented lives and long commutes. In the Washington region, high median incomes have also helped the boom.

Pets need constant attention, not just someone to walk them. One of Glass's employees flew a dog to Colorado so it could spend a summer with his family in Aspen, Colo. Other helpers changed the TV channel daily at one client's house; her beagle liked the Animal Planet network, but the client didn't want the dog watching its more troubling animal-rescue shows. Lori Welch's JCL Services Ltd. in Alexandria offers a "personalized, customized approach to lifestyle management." She has gone so far as to complete homey projects like scrapbooks for clients too stressed out to do the hobbies that once calmed them.

One of the best-known European lifestyle management firms, Quintessentially, started a Washington branch over the summer and has 100 clients. The "Q," as it is known, was started in London by a

nephew of Camilla Parker Bowles and earned early fame by catering to rich and famous clients such as Madonna (to whom they air-expressed her favorite herbal tea bags, according to the British media) and Jennifer Lopez (for whom they found a dozen albino peacocks). Locally, Quintessentially managers arrange restaurant reservations and tours of the White House.

Personal concierge services and errand running, industries that have grown exponentially in the past decade, are embracing lifestyle management as well, said Katharine Giovanni, chairman of the International Concierge and Errand Association.

Confidentiality is important because of the volume of personal information the helpers are handed -- credit card numbers, health insurance papers, Social Security numbers. (Clients should check references before handing over such data, Giovanni said.)

Founded in 2000, the group has doubled in the past two years and has 650 members, including more than two dozen firms locally. "Recently, the terminology of 'lifestyle management' has come across the pond, and concierges have embraced it because it's better terminology for what they do. . . Originally, concierges were errand runners. Now it's 'Let me do everything for you so you don't have to,' " Giovanni said.

"You see, hear and know it all," said Indra Books, who runs On the Go 4 U concierge Service in Northern Virginia. "I personally would not give out the amount of information about myself that I have about my clients. "It's amazing how much information

people trust in me. It shows to me how much people really do need help." She has refused clients who try to pawn off their parental duties, such as throwing a child's birthday party, although she will buy presents and cake. Such personal helpers are often hired by mothers who want to appear as if they're doing it all and don't want their neighbors -- or husbands -- to know otherwise. One Leesburg company has its employees remove the magnetized signs from their cars when they visit certain homes.

An Arlington County woman wanted two key lime pies -- in the middle of winter. And a sitar player for one of her parties. By the end of the day, Glass had the two pies on her countertop in her kitchen. He found a sitar player, too (and when that guy broke his finger, he found another one).

When Maureen Coleman and her husband, Tim, moved to the area from New York City three years ago, she struggled with a chaotic schedule that included caring for their two young children, a busy career and remodeling their Potomac home. In addition, she and her husband have maintained their ties to New York firms; each works two to three days there every week.

Then her garage door broke. "That's when I realized I needed another "me", " she said. "The couple hired Judy Laist from Potomac Concierge, a firm that advertises its employees as multifaceted "problem solvers." On a recent weekday, Laist and Coleman sat down in her dining room to discuss items in a binder Laist had made for house maintenance. Laist also handed her a thick folder of birthday cards she had chosen for Coleman's friends and family members, carefully stamped and arranged by month. Coleman had guiltily requested this after she had forgotten a relative's birthday.

Coleman said that hiring Laist to manage the pesky details frees her up to spend time with family. She has held onto certain rituals with her children, such as driving them to school -- even if she's on her way to catch the New York shuttle -- or packing their favorite lunch of Mediterranean rice and yogurt. But she sometimes feels a twinge of regret.

I don't mean to brag, but I am a very efficient person," Coleman said. "But even with this highly efficient multitasking thing I've become in life these days, there is still more. How do you let it go? Am I going to miss out?" Coleman reached across the table to look at the birthday card folder Laist had assembled. She pulled out the card Laist had selected for her son, Christopher, about to turn 7.

It was a sports-themed card, covered in colorful drawings of baseballs. Perfect for a little boy. "Who would have thought I'd be giving my son a birthday card I didn't buy? But it's a great card. It's a card I would have bought myself," Coleman said. It was ready to go. All she had to do was sign it. In the end, though, she couldn't bring herself to do it. She went out and bought another card, one she had chosen herself.

EDITOR'S NOTES

If you are interested in a franchise business or concierge services the following websites may be useful to you:

FRANCHISE WEBSITES:

www.franchise.org
www.franchise.com
www.entrepreneur.com
www.tannedfeet.com
www.entrepreneurialcareerguide.com
www.iceaweb.org

CONCIERGE WEBSITES

www.go2hr.com
www.Stylecareer.com
www.concierge_service.shtml
www.nationalconciergeassociation.com
www.conciereservices.com
www.triangleconcierge.com

JOB SEARCH RESOURCE REVIEW

By Carolee Heileman, 2004 JSP Grad

"Don't Retire, Rewire: 5 steps to fulfilling work." *by Jeri Sedlar and Rick Miners*

Summary - One of the authors of this book, Jeri Sedlar, was the featured speaker at the kick-off event September 18, 2007 of The Transition Network, an organization for women over 50 (more on TTN below.) The thesis of this book is that you do not have to retire. Instead, you can redirect your considerable energy into any number of new pursuits by "rewiring". All it takes is a sense of optimism and concerted effort.

Steps to Fulfilling Work - The first, and possibly most important step is discovering for yourself what drives you to work. Once you realize what satisfies you about your professional pursuits, i.e., your drivers, you can link them to new activities that will be more fulfilling. The next step is to create your vision for the future by dreaming new dreams, recognizing your own accomplishments and rethinking the possibilities before you.

You can work for wages, but you can also work for fees (consulting), work for "me" (education) or work for free (volunteering). The last step is putting your plan of action into motion. Sure, there are obstacles, like age discrimination, but it is up to you to make it happen. Rewiring is hard work, but it beats passing the "bonus years" afforded us by greater longevity bored and frustrated.

Relevance to the Foreign Service -

Some of us who retire from the Foreign Service for expiration of time-in-class experience that the author calls a "cliff retirement." We work so intensely up to the moment we go out the door of the State Department, and we have been driven so long by the needs of the Service, that we have not taken time to analyze what it is about the Foreign Service that we love to hate. And what about ourselves made us feel fulfilled by our jobs. There is no opportunity for a "phased" retirement" in the Foreign Service, so we may not be ready to retire. If we feel angry or rejected, we may not be ready to make the effort to understand ourselves until long after our retirement date.



Methodology - The author offers a list of 85 drivers to guide the reader down the path of self-discovery. You are asked to choose ten from an abbreviated list of 30 drivers, then winnow the list to five and then prioritize them to figure out what makes you tick. This may be too touchy-feely for some. Throughout the book you are presented with four case studies, four people who are trying to find a more satisfying retirement.

They advise, "know what you're leaving behind and how to replace it." Alternatively, "know what you've never gotten and how to find it. The author also offers several exercises you can go through to stimulate your thinking: calendar analysis to determine how you spend your time; thinking about the legacy you want to leave behind.

You have to beware of what she calls dream stealers, negative thinking that will stop you from realizing your dreams, but you should not be afraid to discard new activities if you find you don't like them. Make a personal discovery inventory. Brainstorm, evaluate, prioritize.

The chapter on putting your plan into motion contains some useful tips on presenting yourself.

More information? The authors Jeri Sedlar and Rick Miners, a husband-wife team with experience in executive search and life coaching, have created a website, www.dontretirerewire.com. They market Rewiring Retreats, a weekend program for individuals and couples. They can be reached at authors@dontretirerewire.com.

THE TRANSITION NETWORK

*The Transition Network, Life Choices for Women over 50 - Mission statement: " To provide a national community and network of resources and support for women over 50 as they explore and experience transitions in their professional and personal lives, and to demonstrate that older women are valuable assets to society. "

TTN started in New York but has chapters in other major metropolitan areas including DC. In addition to career-oriented programs, they have interest groups like the art safari, book club, etc. Their website www.thetransitionnetwork.org has more details.

"Celebrate the happiness that friends are always giving. Make every day a holiday and celebrate just living."

-Amada Byrnes

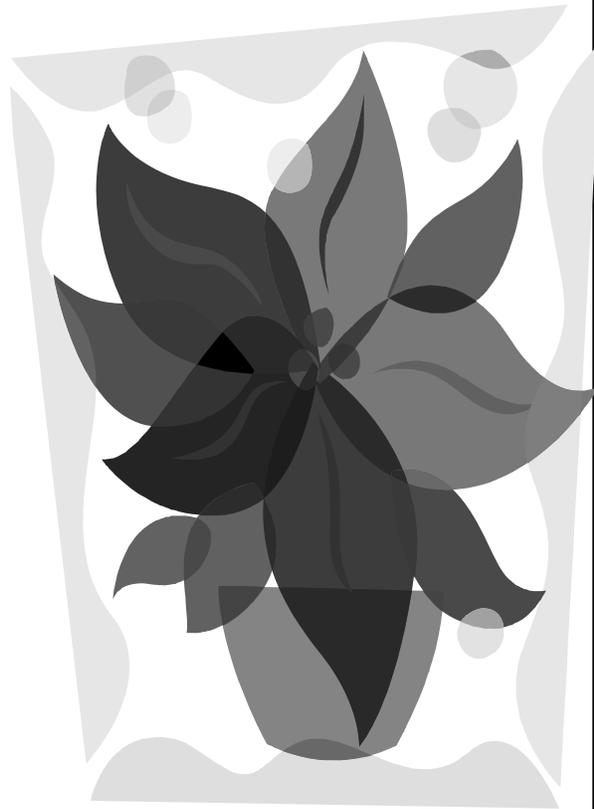




ATTENTION, JSP GRADS!

Mark your calendars! Our next job fair will be held on Tuesday, March 25, 2008 from 1:00 to 4:00 pm in the gymnasium of Building D (aka the Field House) at FSI in Arlington, Virginia. Be sure to bring a photo ID and, if you have one, your Retiree ID. Don't forget your resume.

Would you like to share your experiences with future JSP participants about life after U.S. government service? The JSP includes several panels comprised of JSP graduates. They include: the JSP graduates panel; small business owners panel; independent consulting panel; the education, NGO/Nonprofit, writing and publishing, volunteer, part time, association speakers and WAE panels. If you are interested in participating in one of these panels, please send me an email at Hayesp@state.gov, or call me at 703-302-7412. The program will be held in March, August and October 2008.





“The best thing to give up
in a New Year’s resolution
is to give up giving up.”

- *Author Unknown*



During this Holiday season,
the Career Transition Center wishes you a very happy
holiday season and wonderful New Year!



**CTC
NEWSLETTER**

FSI/TC/CTC

U.S. Department of State
Washington, D.C.
20522-4201

Also available on the internet at
www.state.gov/m/fsi/tc