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Stuff that matters to Wayne

Keep it Clean and Don't Burn Bridges: It's a Small World After All

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It has been a few months since I have been spit out the other end of my coffee shop franchise - the most painful 5+ years of my life. There are not too many people out there who have lost their entire lifetime earnings plus their inheritance, but when this suffering occurs it creates an instant bond with others who have the same experience. It's almost as if others who have suffered the same hardship are drawn to you via some invisible magnetic pull. So, although there are not many of us out there, I know many of them personally now. Many of them are victims of the franchise system; a silent machine that has the potential of slowly grinding up innocent families in neighbourhoods where you live in while producing yachts, homes, and luxurious cars for the financially and legally skilled. When I discussed their nasty practices with an acquaintance of mine - an experienced man of business - his response was: "So? They are in the business of making money and especially money off of you. That's their business model. You signed up for it. You agreed to be their slave." He is right in the legal sense: that we all unwittingly signed a franchise agreement the size of the Oxford Dictionary. Some people in business think that as long as a party is willing to sign a document that everything is ethically A-Okay. I have learned that a contract not reviewed by someone with hands-on experience in that specific industry is a recipe for massive hardship. I used a top notch law firm in Vancouver to review my franchise agreement before I purchased the right to attempt to make money at my location (because you aren't actually purchasing anything more than that in most cases I've seen) and I guess the firm somehow thought that I had a reasonable chance of success. They were very wrong as the wording of the agreement made it nearly impossible. Their lawyers hadn't operated a coffee franchise, although they had reviewed a lot of paperwork throughout their career. Regardless of which standpoint you take on this, there is a greater point at work that supersedes all of this temporary contractual banter. It is the law of honour. Dani Johnson pulled this concept together well for me in her book, *The First Steps to Wealth*. At one point in the midst of trying to sell my franchise coffee shop I took a sales position with a printer company since I had a signed and accepted offer to purchase the store with a closing date. To my surprise and chagrin, the sale fell through (just one of several times) and I was stuck with both a sales job and a coffee shop to operate at the same time. I decided to keep the job regardless and learn what I could seeing that my shop was going nowhere. While I was out and about in the city doing sales calls, what was interesting was how the decision makers (typically owners) of many companies had already heard stories about the questionable way in which our franchisor treated their franchisees. I was shocked. How did all these people know? During the year this general awareness increased and at one point I entered a retail business (a prescription eyeglass shop to be specific), and at one point during an unrelated conversation I revealed that I owned this particular brand and he looked as if he was going to vomit and then began spewing very bad things about them - all of which were true, all of which was what I thought inside information, and all of which I was surprised to hear from this unknown and completely removed third party source. My first thought was one of fear: I'm never going to sell my store if everyone knows how bad they are. I'm never going to get out! It was a horrible moment but it helped me make the decision that I would 'lock & walk' (that's a term I think I invented) even if it meant walking away with nothing but a debt the size of a Vancouver house. I would no longer have my name yoked to this kind of operation and drag out the inevitable.

Lessons to be Learned

Here is a bullet list of things I've learned from this so that others can avoid destruction in both their current businesses and the purchase of a business (ie. a franchise)

You Only Get One Name and Reputation

- If you plan to buy a business go into the business community, a dig around to see what their general reputation is. Business owners are a group that just seem to know things that non-business owners don't. They will have the inside scoop and you will find it if there is one. You do not want to purchase a business with a nasty reputation as it will require a complete branding tear down and rebuild to restore it.
- If you are a business now and you have done wrong to others, drop all your other lofty plans and ideas and dedicate yourself full time to fixing your past before it catches up to you and destroys you - because it will. I didn't make the sowing and reaping law and I can't turn it on or off. It's on. This includes staff, partners, vendors, customers - everyone. Let no stone go unturned.
- Transparency is the better option. Confession of wrongs and restitution of damages is not easy to stomach in the present, but the reward for taking this proactive step is priceless. Secrets eventually get discovered anyways. Skeletons always fall out of the closet. And even if they don't, the courts can and will force them out. Why wait that long? People are amazingly graceful when action follows confession.
- You only get one name. Protect it. In Vancouver, even more so it seems.

Win-Lose = Lose-Lose. Give-Take = Win-Win

- Do you think gouging someone you do business with is ok whether it's a vendor, customer or partner? If you do, you may gain now but you will lose in the most ugly way later while killing your only reputation. Therefore, win-win is a recommended strategy in all that you do. I am pleased to report that at least one coffee franchise appears to be building on this foundation and there is joy and peace surrounding their operation.
- The yacht won't cover your guilt or fill your empty heart. You can't take your riches to the grave. They, like your corpse, will eventually decay into the earth below from which they came and the earth will have no recollection of you a few years later. Why not prioritize your life differently and think eternally? Why not give your grand kids something they can proudly tell their grand kids about? Why not fill your funeral house with sad franchisees, vendors, and other people around the city who will miss the positive contribution you had on your city and the people you touched? Yes, it is possible.

Have a nice day. That was an unconventional blog ending.

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