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Resource Center

## FRANCHISE



### Location *Isn't* Everything

**It turns out, that old truism about location can only take your business so far. What you really need are: Product, Concept, and People.**

Before I got into the franchise business, I thought retail success was a function of three things: Location, location and of course, location. Such wisdom seemed to make sense. If a store owner had a great location, success was inevitable. But then reasoning kicked in. Great locations are a limited commodity, and, yet, there are a lot of successful businesses far removed from the corner of Center and Main Streets.

In fact, successful businesses are everywhere. So what was the trick? It wasn't until years later when I had joined a young Cold Stone Creamery to head up the Development Department (okay, I was the Development Department) that I learned location isn't everything. The three words I found to be most important to franchise success are simply: Product, Concept, and People.

Let's start with Product. When the first Cold Stone Creamery opened its doors in 1988 in Tempe, Arizona, it opened in anything but a great location: a shopping center we'd never approve today. Somehow people found Cold Stone, tried our ice cream, loved it, and told their friends. Right then, we learned an important lesson that we've carried with us through 1,000 stores and counting: The most important success factor for any business is having a product (or service) that people want. That sounds obvious, but it's amazing how many people starting new businesses forget that simple truth.

Maybe people forget these simple ideas because there are a lot of substandard products out there that seem successful. I won't mention any brand names, but we all have our own lists of products that fit that bill. And that's really the next important success factor: the concept itself. In fact, a solid, efficient concept that is well conceived and marketed can actually compensate for a lesser product. But imagine the power when Product and Concept are both on target!

Products and concepts don't sell themselves -- it takes the third element...people. A great franchisee can actually overcome some product and concept shortcomings. But again, when all three align-Product, Concept, People-the sky is the limit. Take for example Ruben Navarro, a Cold Stone Creamery franchisee in California. When he opened his first Cold Stone in 2000, Ruben and his wife Yolanda chose a site that had the potential to generate a good return, but would not be a high-volume location. In fact, we advised them to save some money by buying a smaller ice cream dipping cabinet. It seemed prudent.

We learned otherwise. Thanks to a great product, a concept that cared about its franchisees' success and a husband and wife team who said in their interview that "they didn't care what the average unit volume of a Cold Stone was because they have no intention of being average," their store broke record after record. That's the power when product, concept and people come together.

Clearly, when you are looking for a franchise, evaluate the product, concept and the people. Then decide on a location. Here's what we look for: First, we consider our neighbors. Good neighbors are different for every product and concept. Consider when and how people use your product or service and choose your neighbors accordingly. A good concept will have proven, time-tested guidelines to help you.

Next, consider location visibility. Are the storefront and the sign itself visible from the main flow of traffic? If people can't see your sign, you'll be hard to find. This is the part of location selection that most people think of first, but there's so much more to choosing a good site. The third consideration is access. Does the location have good ingress and egress? Can your customers simply make a right-hand turn into your parking lot and exit just as easily? Access is important, because as one customer of a convenience store said in an interview, "I like coming here for coffee because I can just swoop in and swoop out." "Swoop" just says it all.

Finally, ask yourself if your store is a destination, impulse or errand stop. That will dictate the kind of location you will need. If you're a destination, you often can be further off the beaten path. Impulse purchases require being in the line of sight with multiple opportunities to enter the parking lot. If you're an errand stop, look for centers with complementary neighbors. Product, Concept, People -- first. Then location. When you score all four, your chances of owning a successful franchise business increase exponentially. And so does the fun.