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Franchising is a Cold Stone lock

By David Morrill, BUSINESS WRITER

AS A 1997 master's graduate from Stanford University, Jim Yang never would have thought that building an "ice cream empire" would be in his future plans.

Could a professional life that would cross paths with Silicon Valley juggernauts Netscape, Escalate and MS2 end up with Cold Stone Creamery?

It did, and now the 35-year-old says he is having the time of his life.

"It is very liberating being your own boss where you are responsible for every aspect of the success and failure of your business," Yang said.

So far, Yang's Cold Stone in Palo Alto has been so successful that he is now looking into opening two additional stores.

Yang wouldn't say how much he spent on his Cold Stone franchise, but the company's Web site says that the initial franchise fee is \$35,000, with a total investment between \$257,335 and \$366,670.

"When I first opened up, some of my friends would come by and be surprised to see me in my Cold Stone outfit serving ice cream," Yang said. "They didn't know what to say.

"It definitely is a seismic shift in my career and before I knew much about it, I might have thought it would be a wasted talent to open an ice cream store," he said.

Yang's move to the franchise world echoes a growing trend of people leaving the Information Technology sector for the franchise world.

"When the recession hit the rest of the economy, it became boomtime for franchises," said Brian Harper, President and CEO of custom picture frame company Fastframe, which has more than 275 franchises nationwide. "A couple of years ago we did a survey of the franchises in California and found that nearly four out of five owners came out of IT."

Yang says that many of his friends from Silicon Valley have begun to appreciate his career change, and are now entertaining the thought themselves. While his ego was tested, Yang's chance to control his own destiny trumped all other concerns. "One thing I hope I've done is to captivate a lot of people that were where I was and might not have seen franchising as a viable option to pursue," he said. "More are taking a leave of absence from the software industry and other hi-tech pursuits to try and figure out what they can do with a franchise."

Still, even though Yang says he is having fun, there is a substantial workload. In the first months his operation was open, one of the freezers broke and Yang was forced to drive to San Francisco in the middle of the night to get a spare part -- something that would have been more difficult to swallow if he'd been asked to do it by an employer. "When you own your own business, regardless of what it is, you don't even think twice about doing something," he said. "If I have to reach my hand down a drain to clear something out, that's what I will do."

Besides the time and energy commitment, Yang says that one of the hardest challenges with his new operation is the human resources aspects of it. "It's an entirely different world working with high school and college kids compared to dealing with the people I'm used to in the Silicon Valley world," he said. "On any given day, I might have to deal with one of my employees not wanting to come because they just got a ticket to a concert."

While Yang left his position with the software industry by choice, Steve Hockett, president of franchise consulting company FranChoice, says that there are others who will choose the franchise world after they are forced out of their jobs. "It's an ugly experience for people who lose their jobs," Hockett said. "Many who come to us don't ever want to be in that position where they hear word of layoffs coming and wondering if they will be next. Franchising allows them to control their destiny."