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INSIDE FRANCHISING

by Lawrence Bivins

Multi-Unit Operations Offer Strength in Numbers

In business, size matters. Though bigger may not amount to better in every case, scalability is a key ingredient in any franchise. While some franchisees are content with the simplicity that comes with running just one unit, others are eager to expand across multiple sites and, occasionally, even several brands and business concepts.

Multi-unit franchisees say that when it comes to squeezing the maximum return from their business investment, there is strength in numbers. As well as sharing capital assets, multi-unit franchisees are also able to maximize human resources.

Directing several units means franchisees must be able to build a team and delegate supervisory and other tasks they may be used to performing themselves. In essence, their roles shift from that of an

"operator" to an "owner," explains Ralph Gregory, president and founder of **The Intelligent Office** in Boulder, Colo. "By definition, a multi-unit owner cannot be an operator," Mr. Gregory says. His firm's concept, which offers office space and support services to business clients, encourages franchisees to spend time "working on their businesses, not just in them." That means empowering staff through a mix of base salary, commissions and bonuses that factor in tenure and bottom-line performance of the location.

[Running multiple units] within close proximity can spark surprising synergies. Success has to do with a rich knowledge of local real estate, demography, labor resources and vendors. In many cases, franchise systems offer fee structures and credit terms designed to sweeten multi-unit franchising deals.

About Intelligent Office: Launched in Boulder, Colo. in 1995, Intelligent Office provides "Class A" office space and business services to the growing number of small businesses and executives who want to work from anywhere and be free from having a full-time office. The fast-growing franchise company has over 30 locations across the United States and Canada, and is adding about one new franchise per month. Intelligent Office was founded by Ralph Gregory, the "Father of Virtual Offices."