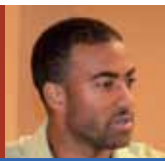




Kid Friendly

Why early childhood franchises make cents



Off the gridiron

Is franchising an option after your 3-year career?



Google+

Do we really need one more site to befriend?

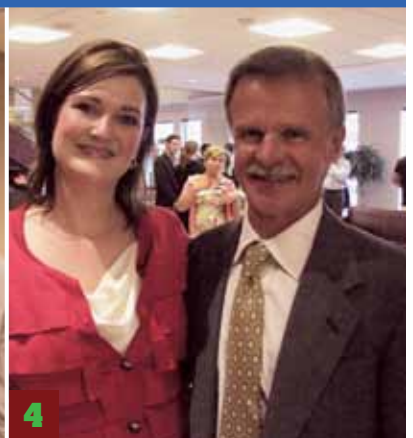
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Take Care

The skinny on franchising in the \$2.5 trillion healthcare market

Healthcare franchising will thrive in arenas where users have been willing put up with bad service because they never thought to evaluate medical practitioners as service providers.

—from a white paper by Frandata

There's a "regulation complexity" to franchising healthcare that nonmedical franchises never have to deal with. But on the other hand, "it does provide nice little barriers of entry to other folks trying to copy you," Faegre & Benson partner Kevin Hein" told the assembled group of both suppliers to the industry and new and established healthcare franchisors attending the law firm's Franchising in Health Care Conference in late July.

The conference was the first of its kind,

according to Hein, who organized the event.

Why focus solely on healthcare? "It's a completely different animal franchising in this segment," he said.

Companies represented varied from dental practices to urgent care clinics to mental health for young children. Some presented, some were there to learn how to franchise their concept.

Faegre commissioned Frandata to do a study on the segment and Darrell Johnson, president of the D.C.-based research firm presented some of the highlights. The entire white paper is for sale through the conference's website.

Where franchising was occurring in healthcare was one of the things Frandata was asked to research, but what was more interesting, Johnson said, was the second question he was asked: Why are we seeing this industry being franchised? "If you see why it's happening, then you can see where it's going," he said.

1. Jeff Brimer, of counsel with Faegre's Denver office **2.** Faegre partner Kevin Hein and Gina Grabarek, marketing, planned the conference. **3.** Jeff Jervik, CEO of Elements and Katrina Mitchell of Speak! **4.** Keynoter Shelly Sun of BrightStar and Darrell Johnson, president of Frandata.

Health and fitness is the second fastest growing segment in franchising, right after restaurants which account for one-third of all franchises in the U.S., Johnson said.

There are currently 240 active brands touching healthcare, from weight loss to optical. The largest segment is home healthcare, with 47 different brands totaling 3,600 units. Another 25 are

weight loss; eight of which offer medical weight loss.

One of the reasons franchising is a good fit for healthcare, Johnson said, is because two of its strong suits are efficiency and the user experience. Customer service is a touchstone for franchisors, while healthcare providers as a group aren't known for being customer-centric.

In the case of urgent care, "you can control the experience, but not the doctor's care," Hein said. A franchise, however, can offer it "faster, cheaper and friendlier."

Matthew Holt, a former futurist—"It's a hard thing to do, so I quit doing it," he quipped—and the author of The Health Care Blog, said creating consistent care

in every region is one of the challenges. "Cost and quality should be related," he said. And while that's common sense, it's not common practice. In Louisiana, he pointed out, healthcare is rated the lowest, and yet it costs the most in the nation.

Thanks to the proliferation of medical sites on the Internet, healthcare has changed dramatically because consumers now have access to information online. In addition, changes in the healthcare laws will create 32 million newly insured Americans by 2014.

Updating the options

The old saw used to be: "Healthcare is where technology goes to die." However,

today doctors number higher among iPad users than the general public. Which is good news for franchisors who want to get into this space, because technology also provides consistency—which is what will allow medical businesses to franchise.

Theresa Leets, senior corporations counsel for the California Department of Corporations, gave her personal views on what franchisors need to do in order to get their FDDs through the state's scrutiny: Don't make her go out and research; explain clearly how things work.

How? Well, you might want to start with a good lawyer... [FT](#)

