



**Color Me Mine**  
satisfaction benchmark report  
**March 2017**



## Satisfaction is Everything!

To be clear, franchisee satisfaction is about bottom line results. It is about improving system-wide performance and driving higher revenues and profits for both you and your franchisees. Our research shows that the top 25% of franchise systems - those with the highest franchisee satisfaction - grow and outperform the competition by over 400%. Our mission is to help you better understand the experiences of your franchisees and use this knowledge, along with industry best-practices to drive bottom line results.

This report contains a detailed breakdown of your system's overall franchisee satisfaction. It covers the critical areas of training, support, marketing, operations, communication, franchisee/franchisor relations, financial opportunity, and general overall satisfaction. When you consistently measure, evaluate, enhance and track these areas over time, you and your franchisees will experience amazing improvements in your business.

Franchise Business Review is proud of the work that went into creating this report and we expect that you'll find the information both interesting and actionable. If you have any questions about this data or you would like more information about our marketing and consulting services, please give us a call at 866-397-6680. We look forward to helping you exceed your business goals.

Happy Franchising!

Michelle Rowan  
President  
Franchise Business Review, LLC



## The Benchmark of Franchisee Satisfaction

The **Franchisee Satisfaction Index (FSI)™** is the industry standard by which the health of all franchise companies can be measured and tracked over time. Established by Franchise Business Review in 2007, FSI is a collective assessment of eight key areas of franchisee satisfaction and engagement. FSI allows franchisors to effectively evaluate the franchisee experience, and make educated business decisions to improve overall system performance.

The eight areas of franchisee satisfaction included in the FSI are:

### Training & Support

Business success is all about execution. And successful execution of a franchise business is all about the training, support and on-going development that franchisees receive from their franchisor.

### Franchise System

Proven systems and established operating procedures are part of the foundation of franchising. These are the things that make a franchise run smoothly, maintain a competitive advantage and achieve greater success over time.

### Leadership

When it comes to successful leadership of any franchise company, the perception of the franchisees is the reality you will have to operate under.

### Core Values

Without a basic understanding of trust, honesty and respect, all business initiatives will meet with significant challenges.

### Franchisee Community

Building a successful business and making money are important, but much of the long-term satisfaction and day-to-day enjoyment of operating a franchise business comes from the relationships formed within the franchise community.

### Self-Evaluation

Part of our 360-degree evaluation of a franchise system includes an honest, self-assessment of performance by franchisees.

### Financial Opportunity

While the long-term financial goals of franchisees vary widely, making a living and earning a reasonable return on their investment are things that most share in common. Financial success is a key, primary driver of overall satisfaction.

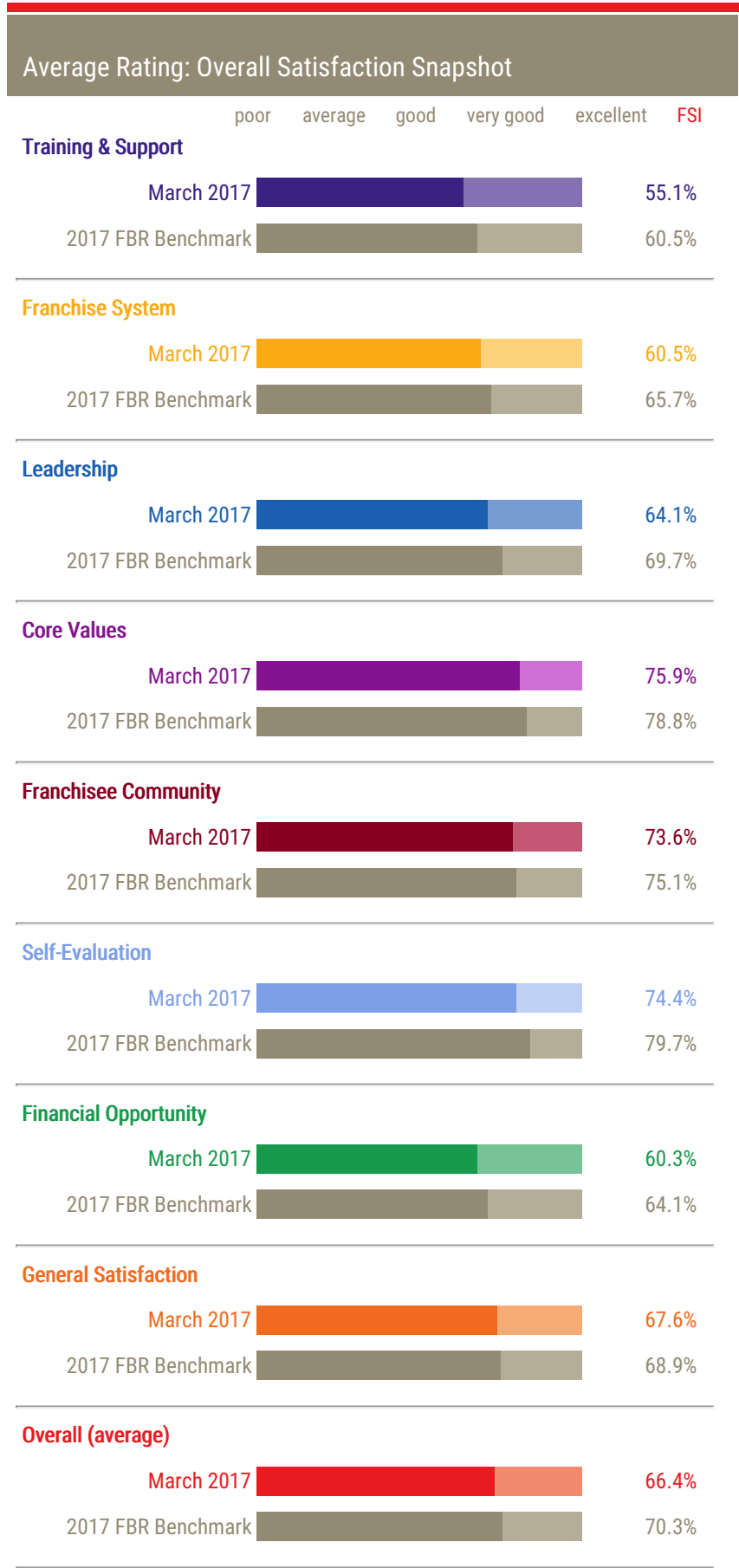
### General Satisfaction

General satisfaction is where the rubber meets the road. Has the everyday experience of owning a franchise lived up to the expectations of the franchisees? Would they recommend this franchise to others? And most importantly, would they do it again?

## Understanding FSI

FSI can range from 0 to 100% and represents a weighted sum of positive responses to a specific question or a group of questions within one of the areas being measured for satisfaction. If you were to simply add up all the positive responses to a question, giving the same value to an “excellent” response that you give to a “good” or “very good” response, you would paint an overly optimistic picture. FSI provides a realistic view of favorable satisfaction ratings by weighting more positive responses and discounting lesser responses to any given question.

FSI ratings provide a reference point or benchmark to help gauge the overall level of franchisee satisfaction or satisfaction in a specific area. While an FSI of 66.2% on its own is not all that valuable, using it as a benchmark to measure against other areas, or to compare various franchise systems and industry sectors is extremely useful.



Overall Satisfaction

Each of the eight areas evaluated for satisfaction are summarized here in the overall snapshot. We include a Franchisee Satisfaction Index (FSi) rating for each area, as well as an overall average.

The following surveys and sectors are included in this report

Surveys/Sectors Participants

March 2017	51
2017 FBR Benchmark	26569

## Training & Support

There are four key areas of Training & Support that are important to understand in any franchise system: ongoing training & support, advertising and promotions, effective technology, and communications.

### Ongoing Training & Support

How current franchisees rate the ongoing training and support they receive.

### Advertising & Promotion

How current franchise owners rate the advertising marketing and promotional programs provided by their franchisor and how effective these programs are at developing and retaining business.

### Effective Technology

How current franchise owners rate the effectiveness of the technology systems and tools provided by their franchisor.

### Communications

How current franchise owners rate the overall communication between the corporate staff and franchise owners.

## Average Rating: Training & Support

poor   average   good   very good   excellent   FSI

### Training & Support



### Marketing & Promotions



### Effective Technology

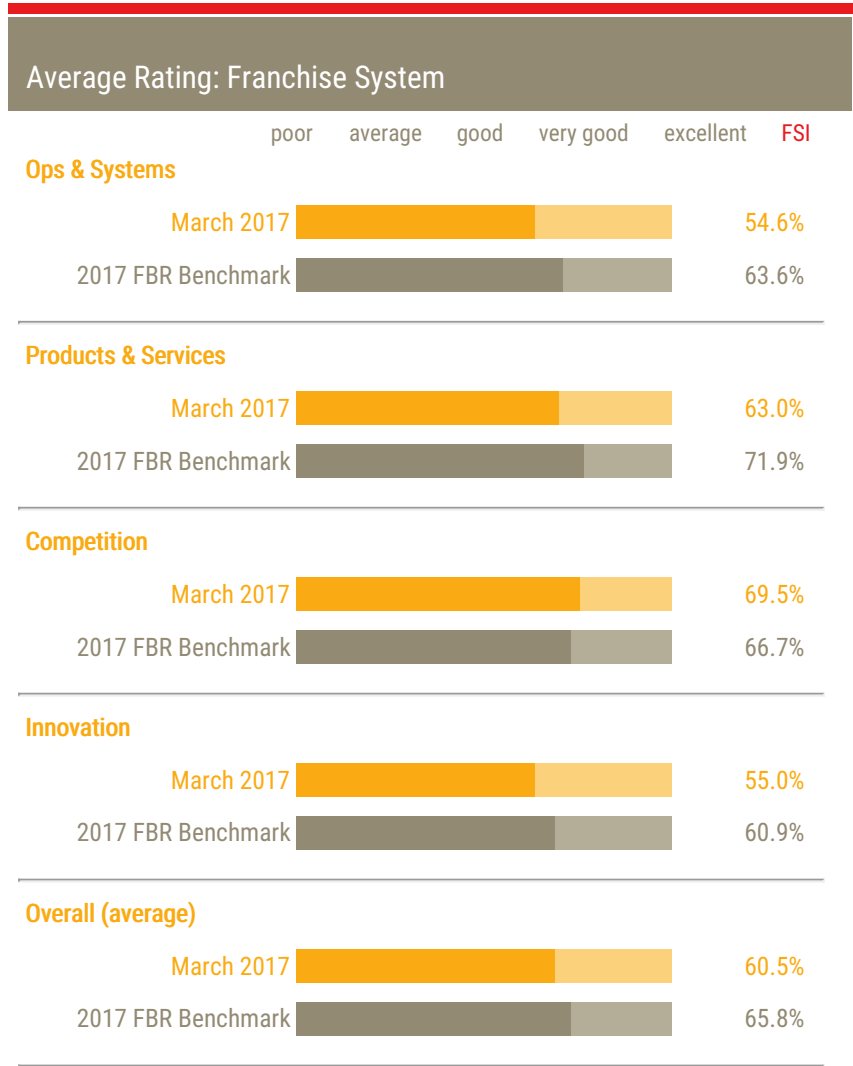


### Communications



### Overall (average)





Franchise System

There are four areas that we examine related to the franchise system itself: operating procedures & systems, quality of the products and services, competitiveness, and innovativeness.

**Ops & Systems**  
How current franchise owners rate the overall operation procedures and business operating systems provided by their franchisor.

**Products & Services**  
How current franchise owners rate the overall quality of the products and/or services provided by their franchisor.

**Competition**  
How current franchise owners rate their franchise system's competitiveness compared to other businesses in their local marketplace.

**Innovation**  
How current franchise owners rate the innovation of the franchise system and the openness of their franchisor to experiment with new ideas.

## Leadership

Success in business is all about solid leadership. In franchising, the strength of the leadership the franchisor demonstrates plays a critical role in your long-term success.

### Clear Vision

How current franchise owners rate the big picture company vision that their franchisor promotes.

### Team Culture

How current franchise owners rate the overall culture of the company and whether or not a team environment is encouraged and promoted by senior management.

### Involves Franchisees

How current franchise owners rate if franchisees have a voice in major company decisions.

### Effective in Driving

How current franchise owners rate the overall effectiveness of the senior management team in driving the franchise company forward.

## Average Rating: Leadership

poor   average   good   very good   excellent   FSI

### Clear Vision



### Team Culture



### Involves Franchisees

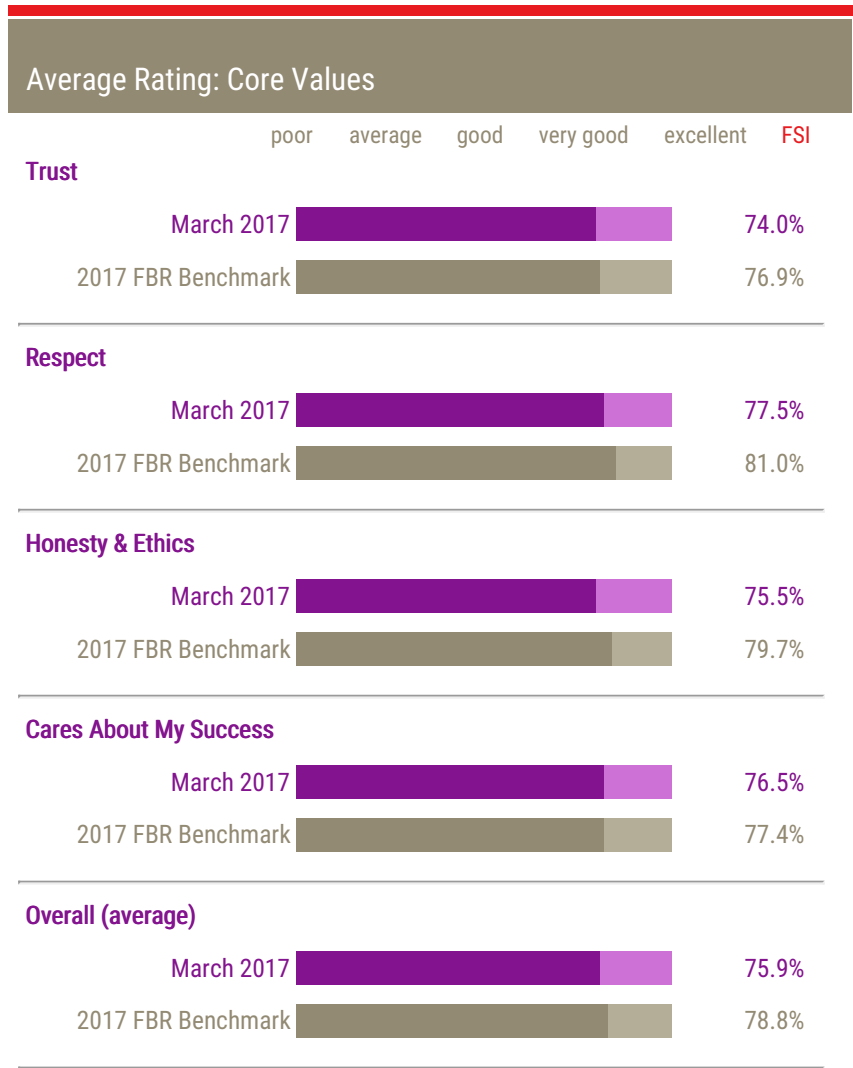


### Effective in Driving



### Overall (average)





Core Values

Without a basic understanding of trust, honesty and respect, all business initiatives will meet with significant challenges.

**Trust**

How current franchise owners rate the trustworthiness of their franchisor.

**Respect**

How current franchise owners rate the overall relationship with their franchisor and their level of respect for the entire franchise organization.

**Honesty & Ethics**

How current franchise owners rate their franchisor's corporate culture and the promotion of honest and ethical business practices.

**Cares About Success**

How current franchise owners rate the level to which their franchisor truly cares about the success of their business.



## Franchisee Community

Building a successful business and making money are important, but much of the long-term satisfaction and day-to-day enjoyment of operating a franchise business comes from the relationships formed within the franchise community.

### Support Brand

How current franchise owners rate their fellow franchisees' support of the franchise brand itself.

### Support Management

How current franchise owners rate their fellow franchisees' support of company leadership and management.

### Actively Participate

How current franchise owners rate their fellow franchisees' own level of participation within the franchise community.

### Support Each Other

How current franchise owners rate their fellow franchisees' support of each other, one of the key benefits of owning a franchise.

## Average Rating: Franchisee Community

poor   average   good   very good   excellent   FSI

### Supportive of Brand



### Supportive of Management



### Active Community



### Supportive of Each Other



### Overall (average)



Average Rating: Self-Evaluation

poor    average    good    very good    excellent    FSI

Enjoy the Business

March 2017 83.7%

2017 FBR Benchmark 83.7%

Enjoy the Organization

March 2017 79.0%

2017 FBR Benchmark 83.2%

Active Participant

March 2017 68.0%

2017 FBR Benchmark 77.8%

Valued Member

March 2017 67.0%

2017 FBR Benchmark 73.8%

Overall (average)

March 2017 74.4%

2017 FBR Benchmark 79.6%

Self-Evaluation

Part of our 360-degree evaluation of a franchise system includes an honest, self-assessment of performance by franchisees.

Enjoy Operating

How current franchise owners rate their own personal enjoyment in operating their franchise business.

Enjoyment

How current franchise owners rate their own personal enjoyment in being part of the franchise organization as a whole.

Active Participant

How current franchise owners rate their own level of participation within their franchise organization.

Valued Member

How current franchise owners rate whether or not that they feel they are a valued member of franchise organization.

## Financial Opportunity

Most business failures are due to under-capitalization or lack of positive cash flow. Certainly, every startup business (franchise or otherwise) struggles initially and may take many months or even years to start turning a profit. In our Financial Opportunity section, we look at four critical areas of financial performance and how well the business lives up to the financial expectations of the franchisees.

### Fees

How current franchise owners rate the fairness of the fees they pay, given the value of the services and support they receive.

### Total Investment

How current franchise owners rate the total investment they have made into their business and whether it is in line with their original expectations.

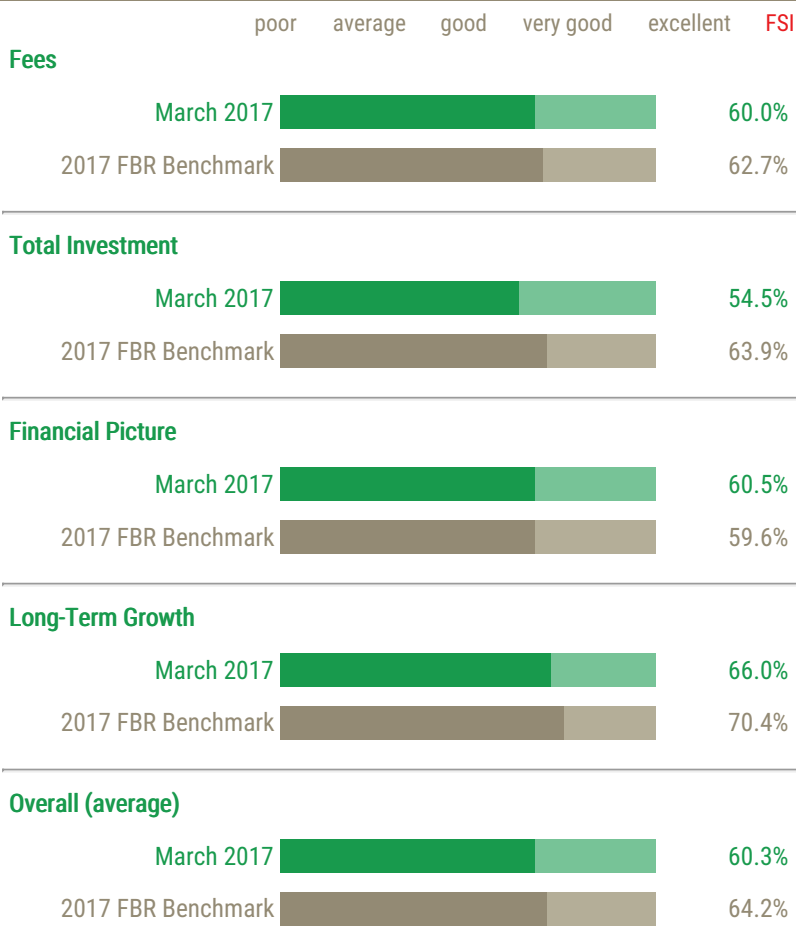
### Financial Picture

How franchisees rate the current financial picture of their business relative to their expectations.

### Long-Term Growth

How franchisees rate the long-term growth opportunity provided by their franchise business.

## Average Rating: Financial Opportunity



## Average Rating: General Satisfaction

poor average good very good excellent FSI

### Overall Opportunity



### My Overall Performance



### Overall Satisfaction



### Do It Again



### Recommend



### Overall (average)



## General Satisfaction

In business as in life, you experience many ups and downs. We all have our share of bad days, bad weeks and bad years. At any given time, a franchisee will be dealing with various challenges and issues, both personal and business related, that effect their levels of satisfaction in certain areas. Because of this, we ask franchisees two broad questions related to their satisfaction. Of all of the questions we ask franchise owners, these are clearly the most telling.

### Overall Opportunity

How current franchisees rate the franchisor and the overall opportunity provided by the franchise system.

### Overall Performance

How current franchise owners rate their overall performance as successful franchise operators.

### Overall Satisfaction

How current franchise owners rate their overall satisfaction with their franchise as a whole.

### Do It Over Again

How current franchisees responded when asked to rate the likelihood of making the same decision to invest in their franchise again, knowing what they know today.

### Recommend

How current franchise owners rate their likeliness to recommend this franchise opportunity to others.

## About this Survey

### About Franchise Business Review

Franchise Business Review is a national franchise market research firm that performs independent surveys of franchisee satisfaction and franchise buyer experiences. Franchise Business Review's services include commissioned franchise research projects leveraging proprietary survey processes and software, as well as industry-wide studies of franchisee satisfaction open to all North American franchise companies.

The firm administers the FBR50 - Franchisee Satisfaction Awards™ - an annual rating of the top franchise companies based on the highest level of overall franchisee satisfaction by participating companies. Franchise Business Review is headquartered in Portsmouth, NH and can be reached at 866-397-6680 or by visiting their company websites at [www.FranchiseBusinessReview.com](http://www.FranchiseBusinessReview.com) or [www.FBR50.com](http://www.FBR50.com).

**FranchiseBusinessREVIEW™**  
Sharing the franchise experience

### Survey Methodology

All active franchise owners from Color Me Mine were invited to participate in this survey process. New franchise owners that had just joined the system and had not been in business for 3 months or longer were not included. Additionally, any franchise owners that had left the franchise system prior to the survey process were not included.

Franchise owners were made aware of the survey process by their corporate office and encouraged to participate and share their honest feedback regarding their franchise experience. Franchise Business Review then contacted each franchisee individually and supplied them with their unique login information to complete the survey. Franchise Business Review made at least three attempts to reach each franchise owner directly by email, the postal service and/or by telephone.

The standard survey consists of a total of 53 questions. 37 questions relate directly to the franchise owner's experience. The remaining 16 questions are focused on market, lifestyle and personal demographic questions. Franchise owners had the option to complete the survey anonymously or choose to share their personal information.

The following surveys and sectors are included in this report.

### Surveys/Sectors

### Participants

March 2017	51
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### Disclaimer

This report IS NOT intended to be an endorsement or recommendation by Franchise Business Review. Our franchisee satisfaction survey reports are designed to aid prospective investors in educating themselves about franchising. This report IS NOT intended to replace the typical due diligence process that any investor should personally undergo prior to making an investment decisions.