

Franchise players: the confusing realities of regulation

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Franchise Players is Entrepreneur's Q&A interview column that puts the spotlight on franchisees. If you're a franchisee with advice and tips to share, email .

When Paul Danylik opened up a Handel's Homemade Ice Cream & Yogurt, he knew that regulation would be a part of business. However, he didn't realize how extensive it would be. While most rules made sense, some seem pointlessly difficult, enforced by organizations he didn't even realize existed -- like the California Pasteurization Board. Fortunately, he's had the support of Handel's to guide him through the maze of regulation. Here's what Danylik has learned as a frozen treat franchisee.

Name: Paul Danylik

Franchise owned (location):

Handel's Homemade Ice Cream & Yogurt, in Redondo Beach, Calif.

How long have you owned a franchise?

This is my first franchise and I opened in June 2010.

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Why franchising?

I liked the added safety of having people available who have done this before and been successful. Franchising helped me feel safe rather than doing something totally new on my own that I had no experience with.

What were you doing before you became a franchise owner?

I was in the television syndication business for 30 years. I worked for all of the big studios - Paramount, MGM, Warner Bros., etc. - selling syndicated TV shows. I had to travel at least 40 weeks a year, which was fun when I first started, but became too much of a production. By the time I stopped doing that I was a dinosaur that was making too much money. My company bought my contract out and that's when I looked into franchising.

Why did you choose this particular franchise?

I loved the product and thought that it was the highest-quality. I've also lived through several recessions and learned that comfort food companies, like Handel's, prosper during the hard times. The economy has to be really bad for people not to be able to spend \$3 for an ice cream cone. Not to mention, every single person I met from Handel's has been just a straight up gentleman.

How much would you estimate you spent before you were officially open for business?

The total was \$295,000. The franchise fee was \$50,000, the equipment cost \$120,000 and the store build out cost \$125,000.

It should be noted that most Handel's locations are freestanding buildings that have to be built from the ground up. The land costs in California are much more expensive than is typical. I'm in a strip mall, so build-out costs were lower.

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Where did you get most of your advice/do most of your research?

That's a tough one. When I decided on opening a Handel's franchise, Lenny Fisher, the CEO, and Jim Brown, the COO, guided me and kept me from making rookie mistakes. If I got excited about a potential site, they would reel me in and say " You don't want to do that, and here's why..."

It worked out, and now the location they helped me choose has four schools within walking distance. There is even a school right across the street, and the moms pick their kids up in my parking lot! When school lets out, there are lines and lines of kids lined up around my building anxiously waiting to get their Handel's ice cream. This location has worked out beyond my wildest expectations.

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What were the most unexpected challenges of opening your franchise?

The regulatory process was eye-opening. I expected regulation from the city and health department, but it was much more than I thought. My store has to be inspected by the California Pasteurization Board. Before opening I didn't even know that existed. And, there is no negotiating. Most of the rules make sense, but there are some that make no sense at all. Sometimes it seems that all of this regulation is there to make things more difficult. Throughout it all, Handel's was always there to help me figure it out.

What advice do you have for individuals who want to own their own franchise?

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The biggest piece of advice I can give is if you want to own your own business, just do it. In just going for it, you have to make sure that you have enough capital. I didn't have an issue with this, but I've seen others kill their business because they lack capital.

I also advise others to always listen to your customer base. When I first opened, I had a special every day of the week. The one that stuck was *Two Buck Tuesday*. Now, it's an institution. You say *Two Buck Tuesday*, and people in the area know that you're talking about Handel's.

Your customer base can also help as you adjust your menu. In the Midwest, Chocolate Pecan is the best seller, but I couldn't sell it here. But, I can't make Banana Cream Pie fast enough! You really have to know what the customers at your specific location want.

What's next for you and your business?

I opened my Handel's franchise in June 2010. We initially projected that my business would hit the \$1 million sales mark in 2014, but we actually reached \$1 million in sales in 2013. And, this year I'm on track to surpass that figure. It's been part of my plan to open a second location, and it's looking like the opportunity is there. We have been contacted about another location and are working through the details now.

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