



Lindsay Miller, 3, standing at left, talks with Abrakadoodle teacher Samantha Mattox as Caroline Zarne, 3, Vivian Kreeb, 3, and Eleanore Kreeb, 6, look on.

Photo Credit: By Kevin Clark -- The Washington Post Photo

The Art of the Successful Franchise

For Second Time, Local Entrepreneur Takes Children-Focused Business to Next Level

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Twenty-four years ago, Mary Rogers, a young wife and mother, co-founded a small business in Great Falls to teach children about computers when the new technology was unfamiliar. Its success encouraged her to expand, and in 1987 she took the business a major step forward by franchising it. By the time she sold her interest in 1997, Computertots had 150 franchises in 11 countries.

Now she's doing it again, this time with children's art lessons, as many test-oriented school systems are cutting back on non-basics. Her new business, Abrakadoodle, offers art classes for children ages 2 to 12. Three years after launching it as a franchise, Rogers and a new partner boast 70 Abrakadoodle locations around the United States.

One was on view recently at the Falls Church Community Center, where four 3-year-olds were busy telling their Abakadoodle teacher about the cherry blossom paintings they had just made. Their mothers gushed that the children now had an appreciation for art and loved to show off their work.

Rogers, 57, who was a special-education teacher before starting Computertots, is by all accounts the quintessential successful franchiser. She is completely sold on the idea that this is the way for an entrepreneur with limited capital to expand beyond the start-up stage. "It's wonderful to have a business you can see replicated in multiple locations," she said. "You have people truly invested in building their own businesses."

That is the heart of the franchising advantage: The franchiser uses other people's money to grow his or her business. The franchisees put up the funds to start their individual businesses and pay an ongoing royalty fee, generating a continuous cash flow for the franchiser.

To franchise a business -- whether it sells burgers or brain food -- owners must make sure their business model can be easily replicated. Can the potential franchisees do exactly what the original store does? Can they sell the same, teach the same or create the same product, even if they might be thousands of miles away from one another?

And is the owner willing to relinquish some control? It means leaving the business's operation and reputation largely in the hands of others. "They have to be prepared to let a little bit go," said Matthew Shay, president of the International Franchise Association.

A different attitude is required of the franchisee. "I look at it as pioneers and settlers. Some people are pioneers and want to start their own large business. Then you have settlers, people who want to take advantage of someone else's experience and mistakes," said Lori Kiser-Block, president of FranChoice, a franchising consultant.

Hooked on Franchising

When Rogers and Karen Marshall, then Rogers's business partner, started Computertots, they were surprised at the reaction. Schools and parents were asking them for more, more, more. There was clearly a need, and just as clearly there was money to be made. But both partners had children at home and couldn't imagine doing the traveling involved in opening outlets in other cities.

That's when the thought of franchising occurred. With no experience in such a venture, Rogers said, she turned to the Yellow Pages and picked out a franchise attorney. She asked him for guidance on whether a franchise would work for her and Marshall -- and he liked the idea so much that not only did he tell them to go for it, he invested in the venture. (Her fingers did the walking well: He is still her lawyer.) With the advantage of a very replicable business and curriculum, Computertots grew rapidly. In 1997, Rogers, who said she wanted to spend more time at home with her middle-school child, sold her portion of the business to Marshall.

Hooked on franchising, Rogers worked part-time as executive director for the International Franchise Association's educational foundation, which conducts research and provides education for franchise owners and related professionals. She did some private consulting. And pretty soon, she got the urge to get back in the game.

This time, she knew from the start that she wanted to launch a franchise. She knew just what model to follow and felt there was a real need for the classes since schools were cutting arts in favor of more traditional, academic classes or for budget reasons.

And, she figured, it had worked before.

She teamed up with a new partner, Rosemarie Hartnett, a former social worker. By 2002 Rogers had developed a pilot program and a curriculum. Then she and Hartnett began to test the classes. Starting at the McLean Community Center in May 2003, they tested classes at a dozen sites, including after-school programs, early childhood centers and even a private school that outsourced its art classes to her.

Meanwhile, Rogers was doing the necessary organizing, from researching legal issues to creating a Web site and writing training manuals for franchisees. "You need to put a lot of the pieces together," she said.

And she and her attorney had to prepare the Uniform Franchise Offering Circular, or UFOC. The document, of 100 to 200 pages, is part disclosure, part franchise agreement. It includes cost breakdowns for the franchiser, such as equipment and marketing fees. It details what the franchisee receives from the company, such as training. It describes the franchiser's background and any litigation the company has been involved in. And it details the legal requirements on both sides. (For example, a McDonald's franchise agreement might prevent a franchisee from offering pizza.)

About 15 states, including Maryland and Virginia, require a franchiser to get state approval for the business. Franchisers also must trademark their businesses, which can be done online through the Patent and Trademark Office, Rogers said.

Rogers said the cost for a franchiser to launch a franchise business averages about \$500,000 to \$750,000.

Franchisees spend a lot less but get a smaller piece of the action. At Abrakadoodle, Rogers said, franchisees pay \$33,900 and get a curriculum, teaching materials, training and rights to the brand. It is up to the franchisees to market and sell their classes.

Abrakadoodle franchises charge \$75 for a six-week session. An 8 percent royalty goes back to the company. So far, Rogers said, Abrakadoodle classes have been offered at private and public schools, community centers and summer camps, among other places.

At the class at the Falls Church Community Center, teacher Samantha Mattox was helping 3-year-olds paint cherry blossom pictures with sticks. When the children were

done, she put their paintings in plastic frames and asked the children to describe what they did.

And then it was a recap of their lesson of the day:

"Does anyone remember the man we talked about today? Charles Burchfield," said Mattox, who had introduced the children to the early 20th-century American painter.

And: "Can you say 'neutral?'" "

Lindsay Miller, 3, started the class when she was 18 months old. "It's had a huge impact on her," said her mother, HyeSook Chung. "Last weekend, we went to the Hirshhorn on her request."

At that comment, Chung spoke up: "Mobiles up high!" she said.

This was also the third time Vivian Kreeb, 3, had taken the class, said her mother, Kim. "She's so proud. The laundry room is dedicated to her framed artwork," Kim said.

Sue Walia is the franchisee whose classes are run at the community center. She was Abrakadoodle's third franchisee. A self-proclaimed artist at heart, with a degree in fashion design, Walia found herself "stuck in a stodgy brokerage business" as a part-time sales representative several years ago. She met Rogers at a networking event and started to look in to buying a franchise. "It was a chance to get art back in my world," she said. She opened her franchise in July 2004 and now has classes at 22 centers in the area, including Arlington, McLean, Falls Church, Vienna and Great Falls.

Jan Holland-Chatman was 40 and practicing law, often child abuse cases, when she decided to make a change: She opened the 30th Abrakadoodle franchise in 2005. Her classes are held in the District, Montgomery County, Takoma and Silver Spring. She is in 12 to 15 centers, including after-school recreation centers, day care, various summer camps and both Janney and Eaton public elementary schools in Northwest Washington.

"I wanted an opportunity to own a business," she said. "It's been a really great experience."

Rogers can understand that sentiment. It's part of what she loves about franchising. Not only is she able to create her own successful business, "but we also provide an opportunity for people to build a business of their own."