

20 July 2011

Best Franchises for Hispanics

Poder's annual survey of Hispanic diversity in the franchise business sector

By Rob Bond and Natalie Blackmur



The fifth annual Top 25 Franchises for Hispanics survey continues to underscore the great inroads and progress the Hispanic community is making in franchising. This impressive growth is reflected not only in the number of Hispanic franchisees (and managers of Franchisor-owned units) but in the actual ownership and development of entirely new franchise systems. The Hispanic business community has proven to be exceptionally entrepreneurial and committed to making a success of their lives. In this edition we also highlight six companies that were developed from the ground up by Hispanic entrepreneurs (see following article on page 70). All are thriving and growing in an economy still struggling to recover from the deepest recession in 80 years.

As a prospective Hispanic franchisee, and all other things being equal, there are two key factors to strongly consider. First is the number of Hispanic franchisees there are within a given franchise system. Second is the number of Hispanics there are in senior management. If either or both of these factors is high, you can feel very comfortable taking a serious look at becoming a franchisee of that system.

The methodology for selecting the Top 25 Franchises was based on a detailed survey sent to each of the 3,500 plus franchisors headquartered in the U.S. and Canada. Among other things, the survey asked for the number of Hispanic franchisees or managers of Franchisor-owned units. These numbers were converted into the percentage of total operating units owned or managed by Hispanic franchisees/managers. Similarly, we looked at the percentage of the franchisor's management team (those making more than \$60,000 per year) that were Hispanic.

Ultimately, we compared these percentages from the various responses we received. Out of this list, the top 25 companies were selected. It is interesting to note that Hispanic franchisees make up a majority of franchisees in several large companies. For example, **virtually all of the 45 franchises of Estrella Insurance are Hispanic.** Among large franchise companies, more than 61 percent of Jan-Pro's franchisees are Hispanic and 43 percent for Vanguard Cleaning Systems. Even for industry giant McDonald's, Hispanics make up over 25 percent of their total of 12,464 domestic franchisees.