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Jim Hartenstein’s entire career has been internationally focused, starting as a territory salesman in Venezuela and most recently as Vice President – International at Little Caesars Pizza, responsible for all business outside the United States.

Little Caesars is the third largest pizza chain in the world, with International operations in the Latin America/Caribbean, Europe/Middle East/Africa and Asia/Pacific regions as well as Canada. Previously, he was Senior Vice President – International and also Regional Vice President – Latin America at Wendy’s. He has held a number of international General Management and Sales/Marketing positions with American Express and other multinationals and he and his family have lived in Venezuela, Panama, Chile and Mexico.
Yoshino Nakajima

Yoshino is the Chief Development Officer for Global Operations for Home Instead Senior Care. She is responsible for Global Franchise Development and Global Business Development.

Yoshino has first-hand international knowledge gained while introducing and developing a fast-food concept in Poland. Her global franchising expertise has been recognized by the International Franchise Association, where she has co-chaired and is an active member of IFA’s organization’s International Affairs Committee.

While her focus is on expanding the Home Instead Senior Care network globally, senior care is also very personal for Yoshino. “My work takes me all over the world,” she says, “but in my heart I get the greatest satisfaction from helping older people everywhere live safer, happier and more fulfilling lives.”
Benjamin Simon

Benjamin currently serves as Senior Director of International Franchise, overseeing the day-to-day operations and development of the International Franchise division for the RadioShack® Corporation.

Prior to his current position, he helped develop international retail and quick-service restaurant brands such as The Athlete’s Foot®, Shoebox New York®, MaggieMoo’s®, Marble Slab Creamery®, Pretzelmaker® and Great American Cookies®. Benjamin has extensive experience conducting business in 100+ countries (including 75+ in country market visits).

Forever an entrepreneur, Benjamin enjoys the challenge of packaging great businesses and partnering with leaders around the world - enabling them to execute new and unique concepts to service their community.
Carl Zwisler

Carl is a principal in Gray Plant Mooty’s Franchise & Distribution Law practice group. He represents companies in structuring, negotiating and enforcing U.S. and international franchise, licensing, and distribution agreements.

With the experience he has gained advising franchisors and master franchisees through every phase of the life cycle of a franchise program, Carl is uniquely qualified to advise international franchisors in starting and improving their international franchising programs.

He is sought out by franchisors and franchise investors from around the world to assist them with cross border issues. Carl is a former IFA General Counsel.
Selecting The Right International Franchising Market
International Franchising Does Not Succeed Without

- Commitment Of Franchisor’s CEO and Board
- Commitment of people in every department
- Dedicated resources
- Patience
• Macro Economics Factors
• Brand Requirements
• Multi-Country Territory Challenge
• Hypothetical
Who Initiates Market Selection Process?
Which Markets Are Best?

• Eliminate undesirable and less desirable markets
  – Trade sanctions prohibit doing business
  – Currency controls restrict fee repatriation
  – Areas of political and economic instability
  – Countries where products or services sold through the franchise are unlawful, highly regulated or are not available
  – Where religious customs substantially diminish the market for the franchise products and services
Other Macro Considerations

- Ease of doing business
- Corruption
- Taxes
- Franchise laws / Agency laws
- Distance
- Language
- Purchasing power
- Efficiency of legal system
Industry And Brand Considerations

• I.P. protection
• Trademarks, domain names, copyrights
• Relative profit opportunity compared to other countries
  – Transaction costs
  – Adaptation Costs
  – Support Costs
• Number of places in country which have markets with demographics comparable to those in domestic market
• How is demand for Brand’s products/services now met?
  – nature of competition / competitors
• Resources required / available to train and support franchisees
• Projected Average Unit Volume per outlet v. domestic market
• Time required to:
  – close deal
  – get to profitability
Who Performs This Analysis And When?
How Would You Choose?

• **Canada**
  – Single Unit
  – Toronto
How Would You Choose?

- Mexico
  - Area development rights
  - 5 locations in Mexico City
  - No development schedule
Challenges Of Adapting To New Markets And Cultures

• Budgeting and planning
• Understanding how cultural differences will affect every aspect of a business relationship
• Hiring, training and locating personnel to address cultural differences
Challenges Of Granting Multi-Country Franchise Territories

- Culture
- Laws
- Languages / dialects
- Resources of franchisee in each country
How Would You Choose?

- Dubai Resident
  - Master franchise
  - GCC
  - Option for India
  - Year 1 – Open 1 in Dubai
  - Year 2 – Open 1 in Jeddah & Kuwait City
  - No other development schedule specified
How Would You Choose?

• China
  – Master franchise
  – Entire country
  – Owns 100 unit restaurant chain
  – No development schedule specified
Resources

• Commonality Of Language And Culture With Franchisor’s Home

• Corruption Perception Index — Transparency International
  http://www.transparency.org/cpi2014/results

• Currency Conversion Restrictions
  (IMF Annual Report On Exchange Arrangements And Exchange Restrictions)

• Customs, Duties, Content, Labeling And Other Import Restrictions
  http://www.export.gov/%5C/tradeproblems/index.asp

• Distance From Home Office

• Ease Of Doing Business In A Market — World Bank — Doing Business


• International Suppliers
Resources

• Inflation/Deflation (World Economic Outlook — IMF)

• Laws Regulating Franchising
  (International Distribution Institute) http://www.idiproject.com
  (Getting the Deal Through) https://gettingthedealthrough.com

• Political And Economic Stability (World Bank — World Governance Indicator)
  http://info.worldbank.org/governance/wgi/index.aspx#faq

• Purchasing Power Parity (Big Mac Index)
  http://www.economist.com/content/big-mac-index)

• Trade Sanctions
  http://www.treasury.gov/resources—
  center/sanctions/programs/pages/programs.aspx

• Withholding Tax Rates And Other Tax Laws, As Adjusted By Tax Treaties
  http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-
  Businesses/United-States-Income-Tax-Treaties---A-to-Z
Thank You

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