What the UnFranchise System Really Means

Do You Really Understand and Follow It?

Following the UnFranchise® System WORKS — period. Deviating from the system increases the reliance on the individual to sustain the business, while increasing the probability of failure and decreasing duplication. Beating the system does not work; it has never worked. Oh excuse me, it may work for a while, at the expense of the company and other UnFranchise Owners (UFOs) while it is hidden. However, it will always boomerang and eventually fail. It is inevitable. It is simply a matter of time and there are consequences. So it really never will produce true and lasting residual income. So why even bother?

Every time over the past 25 years when someone has done something that is not part of the UnFranchise System (a system that is tried, tested and proven), their “system” has eventually failed. If they are doing something that is truly great, financially sound, regulatory in line, and duplicable, it becomes part of the UnFranchise System when approved by the executive sales team, Corporate Team, management team, advisory council and me. If it is good enough for one, it must be good enough for all. It must benefit everyone equally and not cause one UFO to benefit at the expense or detriment of another, and it must not undermine the company’s stability, integrity or fiscal soundless (for the sake of longevity, which protects the UFOs residual income).

Understand that if everyone did things differently, there would be no UnFranchise System. This method defeats the purpose and become a non-system — anarchy or a free-for-all method — resulting in confusion, less duplication and less success. If one does not follow the UnFranchise System, they cannot be a trainer, speaker, event coordinator or promoted as a successful UFO and will not be used in the GMTSS or UnFranchise Training System. They can do “their way” in their own business or organization if it doesn’t violate the agreements, policies and procedures and is legal; however, they are not allowed to teach it to other groups or participate in the UnFranchise System (such as certified trainings, University trainings, publish their method, or participate as a trainer, event coordinator, or speaker in the GMTSS). Why? It contradicts the UnFranchise System, causes confusion and dilutes duplication.

Once this becomes “beating the system” and violates the rules, it is the “anti-UnFranchise System” and is out of bounds legally, which requires corrective action. Why even have an UnFranchise Business? The UnFranchise System, with the technology, systems, products, etc., would be worth over $100,000.00 if an individual had to pay it. Maybe they would value it more and follow it. We give it for $129.95, which doesn’t even cover the operational cost. We subsidize it to make it available to average people — practically for free; there has to be some consideration for the agreement to even be valid. The result is often ironic, as many UFOs treat it like a $129.00 business rather than a million-dollar business, or even a $129,000.00 franchise. If they treated as such, they would probably be successful.

Becoming an UnFranchise Owner is only meaningful if one learns the Basic 5 and treats it like a business, doing the result-producing activities. It is basically a “try out,” test market or apprenticeship. Maybe it is
better described as going to college and getting a degree; when you graduate, you have a job at the Master UnFranchise Owner level, which simply measures being open for business by doing the business. Although one may “sign up” or apply, this doesn’t mean they have a real business that is opened. They have to do the UnFranchise System or basic fundamental result-producing activities for their business to be open. You can’t buy a business and never show up for work and say that you have a business. So from my expert opinion, a Master UnFranchise Owner has opened their doors for business by showing up for work in order for them to actually have a real business. Let’s stop lying to ourselves and fooling others. It is what it is, and I am being extremely accurate and on point. If anyone wants to debate this — come on, I am ready.

The UnFranchise System is not just a word, concept or marketing jargon. It is a real system with real technology, systems, products, training, coaching, promotion, etc. You define if you have one — not by signing up, but by doing it. The biggest idiot in my opinion is the one who does not follow the system. It is OK to do nothing or sign up to buy products at wholesale, but that is not an UnFranchise Owner.

Remember what I taught in the previous post — article or video? The four major cornerstones described in the recent article and video ‘The Genesis, History and Evolution of Market America & The UnFranchise Business – The Original Vision and Mission’ are what make up the UnFranchise System. Do you appreciate and understand the UnFranchise System? This is a real, tangible business with technology and systems that are proven to work. The question is, “Does the new UFO follow the system and work?”

**Why is the UnFranchise System an accurate description of a real business?**

People like to relate anything new to something they already know as a reference point to compare it to. Market America and the UnFranchise Business opportunity is really not like anything that exist, but if I were to compare it to anything, I would compare it to a franchise. However, it has powerful differences and advantages that make it better. It eliminates the downsides to franchising but offers the same systemization and uniformity, as well as a turnkey system. There are required ways of doing things just like in a franchise. However, unlike a franchise, we eliminate the royalties and franchise fee, so in reality or practice, it is the opposite of the franchising economic model, so we call it the UnFranchise Business.

The UnFranchise Business is similar to a franchise in that it provides the following:

- Systemized, standardized and uniform systems or ways of doing things
- Required ways of doing things and operational requirements of the franchise
- Proven management systems
- Professional marketing tools
- Standardized training systems
- Products and services at the lowest possible prices
- Branding and increased visibility
Unlike a franchise, the UnFranchise System eliminated the downsides of franchising:

▪ No franchise fees or royalties
▪ Minimal startup expenses
▪ Potential tax advantages
▪ No large monthly overhead
▪ No territorial restrictions
▪ Start part-time with flexible hours
▪ Little risk

There are legal and marketing model elements of franchising. The components that Market America’s UnFranchise System has (YES) and which ones it eliminates (NO) are shown below.

1). Elements or legal requirements: These are the legal elements of a franchise and the most common best practices of well-established, successful and profitable franchises.

▪ A). Trademark (brand protection) — requirements to use the brand name and program/systems. YES
▪ B). Franchise fees and royalties paid by franchise to franchisor. NO
▪ C). Controls and required way of operating: requirements. YES
  ▪ Proven system — must follow the franchises system and processes. YES
  ▪ Restrictions and operational requirements. YES
  ▪ Franchise agreement — required systems and way to operate. YES
  ▪ Franchise manual — policies and procedures, rules and regulation, proprietary processes and trade secrets, operational and marketing systems and best practices. YES
  ▪ The franchise maintains the contractual right to terminate a franchisee if they misuse the name or do not follow the system, requirements, policies and procedures. YES

2). Benefits and advantages (best characteristics of successful franchises):

▪ A). Name recognition and growing visibility. We must protect our name and reputation for the benefit of all. YES
▪ B). Common community in different geographic locations providing consumer expectation and confidence that they will receive the same products, quality and service because they all adhere to the branding and follow the same system offering the same products at comparable prices. YES
• C). Geographical territory — this is not a requirement to be a franchise, but is generally accepted best practice because the franchisor wants some protection. NO (We have unlimited territory, and it is defined by organization and customer base in cyberspace and genealogy, which is protected.)

• D). Training and marketing support necessary to learn the business and systems and make them successful. YES

• E). Proven business operational and marketing plan (franchisee doesn’t need to figure it out). YES

• F). Products and services at the lowest possible prices. YES

• G). Growing visibility and brand — name recognition: exposure, advertising and social media. YES

3). Example of how it works:

• A). Franchising is an 840-billion- to trillion-dollar market, so it obviously works.

• B). Here is how it works. The franchisee pays, on average, a $30,000.00 franchise fee for a service-oriented franchise, without equipment or real estate and equipment leases. With real estate, equipment leases, technology and high cash flow and profit, it averages $147,000.00. So, fundamentally, the franchisee pays the franchisor for the right and privilege to pay 5% to 15% of your (the franchisee’s) sales per month to the franchisor.

  ▪ Most franchises are not revolutionary new systems or rocket science, but pretty mundane common business models like: hot dog stands, burger joints, chicken shacks, coffee shops, mail box rooms or shipping centers, auto service shops, cleaning/steaming services, etc.

  ▪ Why do people do that? Why pay $147,000.00 for the use of the system and name and then pay 5% to 15% of their sales volume?

  ▪ It is mainly for a proven system, support and training, which increases the probability of success. But they probably could have figured it out for themselves.

• C). Market America provides exactly the same thing but the economics are the reverse of that. There is no large franchise fee or investment, so the business and you, the franchise owner, are why we do the reverse of that; therefore, appropriately called the UnFranchise Business!

  ▪ However, one must follow the UnFranchise System just like in a franchise or there is no UnFranchise Business.

**Conclusion and Final Point**
Unlike other opportunities where everyone does things their own way or tries to find what works and there is no required system of best proven methods and practices, we provide the UnFranchise System and we all do it the same way. We use the power of duplication, which is the key to success in the business. It is your choice to follow it or not, as long as you do not violate the rules, policies and procedures. Why someone would not do that is senseless and to their own disadvantage, even if they think they know it all.

Remember the irrefutable axiom on success: “The difference between success and failure is that the successful person did what the unsuccessful one did not do.” It doesn’t matter why. The Basic 5 and UnFranchise System best practices were created by looking at what the most successful people did or do and identify the commonalities or golden thread that runs through them. Ten years prior to Market America I did the research and tested it. Then, I repeated it for the first 10 years of Market America over and over again. Although things may have been added that developed and proved to be valid in a digital age, it still comes down to the irrefutable fundamentals and systems. Why someone would want to reinvent the wheel is beyond me and is simply not smart. In fact, it makes no sense and is very risky. Each of us has to sleep in the bed we make for ourselves.

However, to beat the system and to create schemes and scams that are obviously out of bounds and violations of the Independent UnFranchise Owner Application & Agreement (IUA&A) and Management Performance Compensation Plan (MPCP) rules, policies and procedures is a direct attack on the Company and all UFOs. It is in breach of contract and is often fraud or illegal. That is the anti-UnFranchise System and will not be tolerated. Duplicating it and hiding it makes the one doing it an outlaw with me and the Company.

It baffles me and is disheartening that people would go to such lengths to abuse and undermine the system — a system that is proven and is so fair and solid when done right. It is crazy that they would spend so much time and effort to pull these things off and hide them, when it is easier to do things right. I understand the entrepreneurial mind or zeal and trying to maximize results and income, which often leads to trying to beat the system and hide it. However, it is a boomerang and comes back to hit one in the eyes. It is stealing from the Company, and when one beats the system in this way, they have a self-destruction mentality. This mentality ultimately leads back to them and severe consequences — requiring them to pay the invalid commissions back and other sanctions or termination or even legal action. If they were to succeed or continue to succeed and hide it, the MPCP would go out of control. This could result in regulatory action and destroy the Company. So it is either them or the Company and the legitimate UFO community.

Anyone involved in these practices would be wise to end it and clean it up or admit it. It comes down to the Company or them. It is one or the other. Who do you think will prevail? I have a tremendous responsibility leading a company that provides income that tens of thousands of families have relied on for years. It is my baby that these people are trying to kill. Who do you think will prevail? This is just not a matter of right and wrong; it is very personal. I find it incredulous that both the Company and myself go to such lengths to make the opportunity and systems better, easier and more profitable for the field’s benefit and then it is manipulated and abused by some. I feel that we do it with the purist of intentions and love for the field. Then people insult and abuse us by using it to cheat and gain at our loss (and ultimately all UFOs’ loss) in a way that it was not intended to work. It was great just the way it was and of tremendous benefit. But instead of just doing it the way the system should work, they bastardize it
and manipulate it into something it was clearly not meant to be. They do it intentionally and laugh behind our back. How would you feel?

Just as an example, you know the challenge of keeping Market America’s proprietary brands off the auction sites or selling on sites like eBay and Amazon.com. We are vigilant about it and even develop all types of technology detection and prevention measures as well as terminating those who do it and have relationships with those companies to stop it or prevent it. There was a recent UnFranchise news and blog post about this. Yet as much as we do it multiplies faster than we can stop it. Frustrating. Why is that? Well we come to find out that the culprit is UFOs in the company buying products in large quantities and using the volume to create invalid pay outs, using fake names, bogus centers and then taking that money and discounting the product below UFO cost and stealing legitimate retail customers from other solid UFOs who worked years to build up a retail base and solid customers. Fundamentally they are destroying the market at other UFOs expense. What do you do about that? If you would turn them in, we would be better able to eliminate the culprits and take legal action and return the customers where they belong. The crazy thing is that it is not third parties causing this but our own active scamming UFOs.

The good news is that the UnFranchise System has worked for 25 years, and those who follow it have lasting success. The majority of successful UFOs have used it and are beacon lights for others to follow. The Company is solid because of it, and UFOs succeed in developing the ultimate prize in earning a living — residual income! Residual income requires profitability and stability or longevity to be valid. That is a fact and what we have built as an organization and Company.

In the next article, we will examine how the MPCP and UnFranchise System were created and evolved and why the result is a revolutionary system that is tried, tested and proven and works for the average person.

Keep Growing,

JR Ridinger

Chairman and CEO