

Franchise Times

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The News and Information Source for Franchising

November/December 2008

[Franchise Focus] Newcomer

Kennedy Wins Barber polls franchisees after name change

This is the second part in our occasional series following the story of Carrs Barber Club. In this update, Carrs goes through a name change, and has to convince franchisees it's a good idea. It's a pivotal moment, because franchisees have the option to leave the system.

BY JONATHAN MAZE

Years ago, Ed Magnay told a friend who had been a groomsman at his wedding about his plans to move from Britain to the United States and start his own company. The groomsman's response was "You're crazy."

When Magnay got to this country and started his business, he named it after that friend: Carrs Barber Club.

As the new owner of Carrs, Chris Hurn was impressed with the British-style barber club and its business model, but not with the name, or its origin. So when he finalized his purchase of the business, he changed the name. "It's hard to build a corporate philosophy and turn a corporate image around when you're sticking your thumb in your buddy's eye," Hurn said.

Changing the

name, and the branding provided a fresh start after the chain's financial problems under its previous owner. And while they were at it, the new owners gave it a more American feel. Despite its Florida address, the chain had British owners and a distinctively British bent.

After considering options like the decidedly American Truman's, Hurn and his partners ultimately decided on Kennedy's All-American Barber Club. But lest you think it was deliberately named after the Massachusetts clan of Jack, Ted and Bobby fame, think again.

"Kennedy" means "the ultimate gentleman," which fits with the company's overall goal: to attract affluent men looking for high-end grooming. "With Kennedy's, it's more upscale, it's more sophisticated," Hurn said. "Brother Ted is not what immediately comes to mind. And the concept is a throwback to the JFK era, anyway."

The concept will be largely the same. Men pay a monthly fee for

(continued...)



Carrs' new owner wanted a new name that had meaning. So it picked **Kennedy's**, which means "The Ultimate Gentleman."

a club membership that provides, among other things, shaves and haircuts. Yet it will be fully Americanized, down to the names of the membership levels - "Life," "Liberty" and "Pursuit of Happiness." It also includes a donation of 5 percent of company profits to veterans' charities.

A name change might seem risky, especially for a young franchise system that spent its first few years establishing a strong brand in central Florida, where most of its units are located. But Nick Bibby, a franchise consultant, said it's better to do it now.

"If they had 100 units spread around the country and now they need to change their name and they had a Kennedy's and a Carrs within 50 miles of one another, that would be horrible," Bibby said. "Doing it when you've got a half-dozen units, there's no risk. And those half-dozen can support one another."

Still, Hurn had to sell the franchisees on the branding change, plus the new ownership.

Hurn bought the business this summer from its original owners, Magnay and Geoff Robinson - who had taken control of the company from George Kalivretenos, who had owned the company since 2006. Hurn originally planned to buy the entire Carrs system, but entanglements made it easier for him to buy the intellectual property, then convince franchisees to come along.

With the sale, franchisees were re-

leased, with the option to go out on their own or go with the new system. After finalizing the purchase, Kennedy's president Stuart Fenton talked with franchisees. Then company officials discussed the changes, and they held a franchise-wide conference call and more visits.

Not all decided to switch. One franchise in Altamonte, Florida, renamed its barber club Capps - its co-owner refused comment.

Most stayed, giving the company seven units and six franchisees. Sandra and Paul Norris are "99.9 percent sure" they're going to go along with the change. "I think the guys are going to do well for us," Sandra Norris said. "It's in our best interest to go with the new gentlemen."

The new name doesn't bother the Norrises, who bought their first Carrs three years ago after relocating to Florida from England - they now have two, with more than 500 members. "From our point of view, we're offering the same services," Norris said. "At the end of the day, it's just a name."

The big question is whether a Kennedy's can bring in customers and propel the franchise into nationwide growth.

That may be a challenge: Credit markets are tight. While some analysts say this isn't the best time to get into franchising, Bibby said it's fine, especially for a franchise that targets such a basic service need as hair care.

Perhaps the biggest question is whether customers will flock to the

business. Kennedy's is targeting men in the "mass affluent" category. The question is whether people will be willing to pay for high-end grooming.

Yet Hurn said his customers are still willing to pay that monthly fee, not only for haircuts, but also to have a club to which they can belong. Sandra Norris said the monthly membership tends to steady a unit's ship in the midst of economic turmoil. "We have a very loyal clientele and people do need haircuts," Norris said. "Businessmen like the idea of paying a membership." ■
