

How 'Shark Tank' spawned a Cincinnati franchise firm

Nov 12, 2014, 3:04pm EST Updated: Nov 12, 2014, 5:29pm EST

Two Cincinnati entrepreneurs have launched a firm that helps companies expand through franchising, and they got the idea from the popular TV show "Shark Tank."

Gary Green and Daniel Murphy launched Franchise Funding Group last month. They've run and expanded companies through franchising for years, and they decided to make their expertise available to other entrepreneurs.

"It was really the 'Shark Tank' show that gave us this idea," Murphy told me. "We thought, 'Why couldn't we do that, help people take their business and franchise it?'"

"Shark Tank" is a reality show on ABC in which entrepreneurs try to get venture capital from wealthy investors.

Murphy, who is president and co-founder of the Montgomery-based company, and Green, CEO and co-founder, don't just provide capital, although that's a big part of what they offer. They'll invest up to \$150,000 in an entrepreneur's company and provide strategic guidance and training. They don't, however, get involved in day-to-day operations. The idea is to help people who run businesses with one or two locations expand nationally by becoming franchisors, Murphy said.

"They're thinking, 'What I'm doing in Omaha, they need this nationally,'" he said. "It's for the entrepreneur who sees the big picture and wants to share a small part of the equity to build something larger."

Franchise Funding doesn't ask for any money up front. It takes a 25 percent equity stake in the new franchise system that it helps build. And it gets a management fee of 10 percent of the revenues from the new franchise system. Business owners keep all of the ownership and revenue of their original business.

Murphy is CEO and founder of Cincinnati-based business owner coaching firm **The Growth Coach**. He was expanding the business on a small scale until he met Green 15 years ago. Green helped him find franchisees in other markets. The Growth Coach is now in 150 markets in 10 countries. Green has built a number of franchise businesses over the years, including senior care provider **Home Helpers**, senior



Daniel Murphy is president of Franchise Funding Group.

relocation service Caring Transitions, home care maintenance firm TruBlue House Care and painting company Fresh Coat Painters.

Green and Murphy are looking to invest in any business related to helping customers care for homes, cars, children, pets or parents. They thought about starting a mobile veterinarian business but they decided they could invest in one that's already operating and help it grow.

"These aren't ideas. They're established businesses," Murphy said.

They've already received applications from operators of executive recruiting, commercial cleaning, collision repair, smartphone repair and mobile massage businesses, Murphy said. The company will work with entrepreneurs anywhere across the country. None of the applications are local yet.

"The only industry we shy away from is restaurants," Murphy said. "We've found that they're too finicky and they take too much capital."

They expect to do three to five deals next year and five to seven in 2016. After that, they'll likely have to create their own investment fund or form a partnership with investment firms to get capital to keep funneling it to businesses. For now, they're self-funded through their own network of investors.

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