

GOTTA BE THAT

CANISIUS

E D U C A T I O N

by Debra S. Park

Vou've seen the television ads. One ad features a woman with curly golden tresses who strides confidently out of an office building while a prospective employer tries to convince her to accept a job by upping the ante on the salary offer. The other ad chronicles a klutzy guy who suddenly becomes the object of many women's affections. To what do these featured players attribute their charisma, good fortune or that certain *je ne sais quoi* that has propelled them to instant popularity? "Gotta be the Hair!"

Not since Clara Pella asked, "Where's the beef?" has an advertising slogan so thoroughly captured the imaginations of Americans. Now, thanks to the phrase "Gotta Be The Hair," Fantastic Sams is a household name.

**And that makes James McPhee '67
a very happy man.**

Jim is the president of the Fantastic Sams franchising system. He joined the company in 1998 when Sams parent company, Opal Concepts, sought him out for the top spot. Jim will be the first to tell you it wasn't his hair, or even

"I wasn't sure what I was going to do. I had a liberal arts BA in English from Canisius, which I love to say that, on one hand, it qualified you to do absolutely nothing, and on the other hand qualifies you to do absolutely everything," says Jim. "And so I took the latter definition and just ran with it. I look back on those four years I spent at Canisius and those four years were extremely formative in the way I approach things."

A member of ROTC during his Canisius years, Jim served in the U.S. Army for three years following graduation. His tour of duty included a stint as a military intelligence officer in Vietnam. In 1970, after safely returning home to his wife and son, Jim followed the suggestion of an army buddy and pursued a sales career in Columbus, Ohio. Jim spent four years working for Xerox until another friend urged him to consider selling real estate franchises for Century 21.

Franchising was a new concept for real estate companies and so Jim pondered the move for a while. After all, he would be giving up a career track position at Xerox. And his father-in-law was not exactly happy with the idea that he would leave the security of a Fortune 100 company for a relatively unknown prospect.

Jim did not listen to his father-in-law. He sold Century 21 franchises to realtors in Columbus, Cincinnati and Dayton. Not long after, his group obtained the rights to the New England area. A year later, the parent company offered Jim the opportunity to head-up franchise sales, nationwide.

Jim and his partners were trailblazers in the franchising industry. In the early 1980s, after selling nearly 275 franchises in a few short years, he and his team sold the master rights back to Century 21.

"To give you some statistical analysis, right now of all the real estate companies in the country, approximately 17%, operate under some sort of franchise, be it Century 21, ReMax Prudential, Coldwell Banker, you name them. Yet, collectively all of those real estate companies, operating under a franchise, control 43% of the real estate in America," says Jim. That's what you call a disproportionate market share. That's powerful, that's really powerful."

Jim says small business owners have an 80% success rate if they use a franchise to enter a particular industry. Conversely, those who do not opt for franchising have an 80% chance of failure, due in large part to lack of capital or a business plan.

The next franchise frontier for Jim and his partner centered on a brand new technology – one-hour photo developing. They were among the first to bring what now remains an industry standard to the Southern California area. A few years later, Jim ventured back to real estate. This time it was with a technological twist through a company called CompuFund.

"We were using computer information to help people access mortgage information instantly on-line," says Jim. "We were the first ones out there allowing realtors and mortgage brokers to get on-line instantly with lenders to find out, right at this moment, what the rates were to buy a home. It was absolutely incredible."

It was incredible, indeed. It was also another innovative enterprise. Jim's success in the mortgage industry did not go unnoticed by his friends at Century 21. They beckoned him back in 1990, where he served as senior vice president for Century 21's International Regional Services, until the company was sold in 1996. Jim opted not to uproot his family to move east to the company's new headquarters in New Jersey. After achieving great success in the business world he saw this as an opportunity to take a few months off to relax with his family.

Four months later a good friend, who

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owns the advertising agency that represents Fantastic Sams hair salons, convinced Jim to meet with the owner of the parent company, Opal Concepts. What Jim thought would result in one meeting to appease a friend was just the beginning of a new adventure.

"My dear mother down in the First Ward called me and asked, 'What do you know about hair care?' Probably as much as I knew about real estate in 1975," Jim recalled.

However, Sams is a business that utilizes franchising and Jim McPhee has been in the franchising business for 26 years.

"The beauty of franchising is that you are working with people who are putting up their hard-earned money to buy into your dream...to see them succeed in the franchise and take themselves to another level is

extremely rewarding," Jim said.

No doubt he is extremely rewarded by the success of Fantastic Sams. It has 1,325 salons in the United States, Canada, Japan, Singapore and Taiwan. In addition, the \$120 million parent company has recently acquired Jose Eber Salons of Beverly Hills, Pro-Cut Salons headquartered in Fort Worth, Texas and Carlton Hair International headquartered in Orange County, California. Opal Concepts is planning to go public sometime late this year or early next year. With Jim McPhee on the team, it is sure to be a big success.

But like any company, big or small, it began with a simple idea. As the 1974 story goes, a customer was so pleased with her shag haircut by stylist Sam Ross that she looked into the mirror and exclaimed, "Fantastic Sam!" That endorsement prompted Sam to buy the Memphis, Tennessee salon where he worked and the Fantastic Sams franchise was born.

You see for Sam, it has "Gotta be the Hair."

But if you ask Jim McPhee about the secret to his success, he would probably say that it has "Gotta be that Canisius education."



his knowledge of the hair care business, that got him the job. It was his absolute passion for franchising.

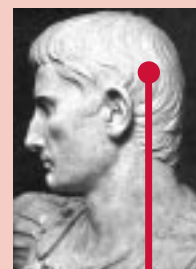
So, how did a Canisius College English major make it big in the business world?

The HAIRLINE

From Augustus Caesar to Jim McPhee, proof that how you wear your hair is how you'll be remembered.



4.2 MILLION B.C.E. - GARDEN OF EDEN
Eve



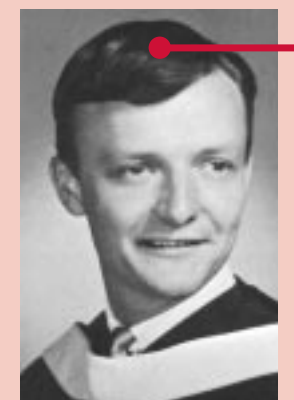
20 B.C.E. - ROME
Augustus Caesar



16th CENTURY - DENMARK
St. Peter Canisius



18th CENTURY - FRANCE
She wishes to remain nameless



1967 A.D. - UNITED STATES
Jim McPhee