

# Family + Business = Success & Happiness

One Austin woman's business plan makes a worldwide company her family business in every respect of the word.

Story by S. Kay Bell

**O**WNING A FAMILY BUSINESS IS THE American dream for millions. Starting a company, making it a success, bringing the kids on board and eventually turning it over to the next generation is, for so many of us, the perfect combination of work and personal life.

That's exactly what Austin businesswoman Cindi Ferguson is doing with her family company: McDonald's.

No, she's not a relative of founder Ray Kroc, at least not by the usual definitions. But then, "usual" isn't the word that immediately comes to mind in connection with Ferguson's approach to business.

She doesn't own just one of the world's most famous fast food restaurants. Ferguson and her husband Jimmy own and operate 14 McDonald's franchises in the greater Austin area.

And in addition to being a part of the worldwide "McFamily" – and yes, that's how Ferguson describes the connection between herself and her employees, as well as her relationship with corporate headquarters – she's brought her own personal family into the company. Two of the three Ferguson children own local McDonald's franchises, and she's already looking forward to the day her young grandson makes it three generations in the family business.

"No pressure," Ferguson said with an infectious laugh as she discusses the generational expansion. But few would bet against this Austin woman's ability to get more family involved in her business.

## An Unexpected Career Move

Ferguson's entrance into the fast-food business began serendipitously.

Fourteen years ago, the Fergusons were living in Russellville, AR, a small community in the northwestern part of the state. He was happy as president

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of student affairs at a local college; she had successfully segued from nursing to the business side of the care giving profession to real estate. Then a colleague got involved with McDonald's and suggested she look into the company, which at that time was actively courting women entrepreneurs.

Although those who know the voluble, energetic and confident Ferguson might find it hard to believe, she was at first hesitant. "I said, 'Honey, there's no way I can get into McDonald's. I don't know anything about burgers!'" she said, chuckling at the memory. "But then I thought 'just for grins and giggles' I'll apply."

She and her husband talked it over, did some research and were attracted, she said, as much by

the company's involvement in communities where the stores are located as with the business opportunity. The training process took several years, and then came the next critical step: picking the place to open their first franchise.

"We looked in the Carolinas, Florida, Nevada, Missouri, but nothing ever felt right," said Ferguson about the two-year search. "Then I got a call

from the franchising manager who said, 'This is it. I've found the store that's just perfect for y'all.' When he said 'it's in Elgin, Texas,' I said, 'where's Elgin, Texas?'"

The answer, that is it was just outside Austin, was exactly what Ferguson wanted to hear. "Oh! I know Austin," she said. Plus, it fit their lifestyle needs. "Because we came from a small area, we didn't want to be right in the middle of a big city but kind of on the outskirts," she explained.

Two days later, the Fergusons flew into the capital of the Lone Star State. They liked what they saw in the nearby community that would be home to their first McDonald's franchise, but the final decision took just a bit longer. >>

# The Pros and Cons of Franchising

“We really prayed about it,” she said. “It was a big life change.” More so, she noted, since both were happy with their lives and careers. But when they visited, she recalled, they knew “this is it, this is perfect. We just fell in love with Texas.”

Elgin residents apparently felt the same way. The expectations for the store were relatively low since it was in a small town, but from the outset the business exceeded the business projections.

Even better, said Ferguson, “We made it a true hometown McDonald’s.” The couple decorated the store to reflect the town’s character, became involved with community groups and, as the saying goes, the rest is history.

## One Big, Happy Family

Since that restaurant launch in 1994, the Fergusons have opened 13 other McDonald’s in the Austin area. The first store is technically her husband’s; their second restaurant in Buda is all hers.

And as their Central Texas fast food empire has grown (and they’re planning to buy even more stores here), Ferguson has made the operation a true family business.

Son T.J. and younger daughter Brittaney Kerby are licensed McDonald’s owners/operators. T.J. is also an operations manager for the family business, while son-in-law Joe Kerby is a supervisor within the company. And when grandson Noah Kerby went along at age 4½ months to a national McDonald’s meeting, proud grandmother Ferguson, always the forward-thinking businesswoman, made sure the infant’s nametag read “Future McDonald’s Operator.”

Watching mother and daughter sit side-by-side in a booth at one of the Ferguson restaurants in North Austin, it’s obvious they enjoy each other’s company, personally and professionally. They each are effusive as to how much they enjoy “the people part” of the business, laughingly describing themselves as “the loud, talky people” part of the operation.

That personal component is the business tie that binds, said Ferguson, not just to her actual

relatives, but also to her employees. “You get real involved, real involved with the people,” she said. In fact, that connection was what prompted Kerby and her husband to leave their previous careers and join Mom and Dad. “They came with us to a company dinner, and they saw so many families, so many generations working together.”

And like any good relative, Ferguson is very protective of her extended corporate family. In fact, her main complaint is not one of the many challenges of running 14 food service franchises, but rather the public perception of McDonald’s.

“I’m very offended when I hear people say, ‘Oh yeah, if you don’t graduate high school, you’re going to end up working at McDonald’s your whole life,’” she said, assuming the gruff voice of the detractor. Her demeanor remained polite, but she sat up just a bit straighter as she continued, “Ahhh, you could do a lot worse than this, sweetie. Nobody understands how much it takes to run one of these restaurants. People who work here are really smart and they have the chance to advance. We change lives. We absolutely change lives.”

## Still Reaching for One Dream

Ferguson has achieved many business and family dreams. That’s not surprising, she noted, since she got support from her own family when she was young.

“When I was growing up, my dad was a little ahead of his time and he used to tell me don’t think that just because you’re a girl you can’t do what you want. You can do anything you want,” Ferguson recalled.

“But my dad was wrong. One thing I’ve wanted to be is Ronald McDonald and I can’t! There are no Ronnies,” she said with a hearty laugh.

True, there are no Ronnie McDonalds representing the distaff side of the company. Yet. But don’t be shocked if one day, a woman does put some high heels on the corporate icon’s big red shoes. And don’t be surprised if it’s a Ferguson woman. ★

Many business people find that a franchise is their preferred operational model. But as with any business endeavor, franchising isn’t for everyone and it’s not something to be entered into lightly. Here are some things to think about:

### Advantages

- **A proven brand:** The business is based on a well-known idea, product or service. An instantly recognized brand name will help you reach customers much easier than starting from scratch.
- **Reduction of risk:** The brand association also typically helps franchises become profitable more quickly than individual start-ups.
- **Support and training:** Franchisors require owner/operators to undergo training so the business will meet company standards. After that initial period, you also should have access to continued training and help when you encounter operational problems.
- **Economy of scale:** You usually get better deals on supplies because the franchise company can purchase goods and supplies in bulk for the entire chain and pass such savings on to franchisees.

### Disadvantages

- **Cost:** While franchises typically offer better chances of quicker success, franchisees still face many costs. Franchise fees, such as the cost you pay upfront to buy a store, can be steep. You also will pay continuing royalties and sometimes added fees to help pay for the brand’s overall advertising and promotion programs.
- **Loss of control:** Although many chains allow franchisees leeway in individualizing their stores to suit their local markets, all franchise agreements include some restrictions on how you can run the business. Even if you’re allowed to make changes, you must go through an approval process first.
- **Franchisor failure:** If your franchisor goes out of business or changes the way the business is run, you can lose your store, too.
- **Association risks:** While being part of a worldwide chain has advantages, you also can be affected by poor business associations. Other franchisees could give the brand a bad reputation, adding stress and business costs to your store’s operation as you deal with the situation.

Additional information on franchises is available from the Small Business Administration ([www.sba.gov](http://www.sba.gov)), the American Franchise Association ([www.franchisee.org](http://www.franchisee.org)), the International Franchise Association ([www.franchise.org](http://www.franchise.org)) and the American Association of Franchisees and Dealers ([www.aafd.org](http://www.aafd.org)).