

## Posting a new career at a franchise in Pelham

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Norman Simmonds was making six figures in the investment banking world. Now, as the owner of a new PostNet franchise in Pelham Manor, he expects it to take up to two years to recoup his investment and make the business profitable.

But for Simmonds, a 39-year-old father of three in Norwalk, Conn., the change is already starting to pay off.

"The goal was having more control over my time," he said. "The investment-banking world often has 12-, 14-, 18-hour days."

As a senior compliance officer for Citigroup Asset Management in Stamford, Conn., he would often work from 7 a.m. to 9 p.m.

Now, he has a little more time for his family. Ultimately, he would like to top the \$100,000-plus salary he earned in banking while hiring more staff to cut back his hours and gain flexibility.

More than 75 industries operate in the franchising format, according to the International Franchise Association, a trade group based in Washington, D.C. While many people view franchises as less risky than starting an independent business, it's virtually impossible to quantify and compare the failure rates, said IFA spokesman Terry Hill. A typical franchise contract is for eight to 10 years, after which the owner may have the opportunity to renew the contract or cash in the equity and give the business back to the parent company. Therefore, turnover statistics include successful franchises as well as failures.

"We believe the success rate of a franchise is greater than an independent small business, but statistically we can't prove it," Hill said. "You just don't close up and walk away from a franchise business; you're not buying the business per se but you're buying the license to operate that business for X period of time. ...

"We caution prospective investors to spend a lot of time and whatever resources you need to investigate a franchise before you buy it," he added. "It's just like any other business; it's subject to the whims, the changes, the trends in the marketplace. It has advantages that an independent small business does not, but it's still not risk-free, and it takes a lot of time and effort and capital to get these things up and running."

Simmonds, who grew up in Mount Vernon, used the investigative skills from his banking career of 16 years, when he would do background checks and research regulations. He decided a franchise made more sense than starting a business from scratch.

"You certainly could go out and do it on your own, but you find that you don't want to reinvent the wheel (if somebody's got an excellent formula," he said. "You also get that network of strength behind you so you can rely on other people if you have any other questions or need information and assistance. And in a start-up business, there's always tons of questions to ask."

He also gets advice from fellow members of the Pelham Chamber of Commerce, the African American Chamber of Commerce and the Omega Psi Phi fraternity he joined as a finance major at Iona College in New Rochelle.

Simmonds chose PostNet because of its size and reputation and because of a need he saw in the community. The chain has 900 franchises internationally and about 500 in the United States. Competitors include The UPS Store, PostalAnnex+, Parcel Plus and independent mail and parcel centers, PostNet said.

PostNet caters to business and consumers with digital copy and document services, computer services, domestic and international shipping, packing and office supplies and notary services.

"A lot of small businesses and a lot of people are working from home these days, and it can be difficult to have all the equipment in-house," Simmonds said. "They just e-mail (a printing job) to us or upload it on our Web site, and by the time they come down, it's already printed for them and ready to go. If they need to ship it off to their home office or



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headquarters, we can handle that part of it, too. So it's kind of like one-stop shopping."

Other advantages: shorter lines than the post office; shipping options that include DHL, UPS, Federal Express and same-day courier service; and the convenience of having shipments packed for you, he said.

The total investment to own a PostNet franchise ranges from \$175,000 to \$185,000, including a franchise fee of \$29,900 and \$40,000 for working capital, the company said. In addition, Simmonds said, franchisees pay royalties equal to 3 percent to 5 percent of sales, and an additional 2 percent for marketing support.

Simmonds, who opened his store on Dec. 13, said he's been doing about 60 percent of the business he needs to do to break even. Ultimately he'd like to expand his staff of three, which includes Assistant Manager Thomas Aldea of White Plains and Evan Wolf, a Pelham Memorial High School senior who works part-time.

For now, Simmonds comes in Monday through Saturday to do everything from printing and bookkeeping to managing inventory, visiting other businesses to promote his services, and helping customers - his favorite part.

"You're putting in more hours initially to get things up and running," he said. "But you ... have to look at the long-term picture and the value that it's going to create."

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*This article does not have any comments associated with it*

*Stuart Bayer/The Journal News* Norman Simmonds left his job at Citigroup Asset Management to open a PostNet franchise at 4779 Boston Post Road, Pelham Manor.