



BLOGS

Diversity

Focus on Franchisors: Ben & Jerry's

As part of Lathrop GPM's [Increasing Diversity in Franchising initiative](#), we have explored and conducted webinars on various facets of increasing diversity in franchising, including access to capital, educational initiatives that focus on business in general and franchising specifically, franchise issues for prospective franchisees, outreach through diverse professional organizations, and franchisor DEI goals and programs. We now want to drill down and focus on individual franchisors and their brand-specific DEI initiatives. First up: Ben & Jerry's.

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Ben & Jerry's Racial Equity Programs

One of the [key take-aways](#) from our webinar on February 8, 2022, was that to be successful, a franchisor should be very intentional about its DEI initiatives: it needs to show commitment, take specific actions, and be accountable. Ben & Jerry's is a brand that is doing just that. One aspect of that commitment at Ben & Jerry's is a full-time position focused on franchise DEI issues: Allie Reid is Senior Retail Racial Equity and Inclusion Manager. In this role, Allie works across various management divisions at Ben & Jerry's to develop and implement programs to recruit and retain franchisees from historically underrepresented groups, and more importantly, work to help make them successful and eventually become a bridge to future additional diverse franchisees. Allie was kind enough to share with us some of Ben & Jerry's action plans.

Ben & Jerry's has implemented a Racial Equity Incentive Program to increase franchise ownership by diverse franchisees. Ben & Jerry's recognizes that a major potential barrier for attracting diverse candidates is access to capital given the average net worth and liquidity requirements needed to acquire a franchise. To help overcome those hurdles Ben & Jerry's offers the following benefits and incentives as part of the Racial Equity Incentive Program:

- No initial franchise fees.
- 3-year wavier of royalty fees.
- \$2,500 education expense reimbursement to encourage new diverse franchisees to increase their business, entrepreneurship, management, financial and human resources acumen.

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- Waiver of the transfer fee for an existing franchisee to sell to a BIPOC franchisee, and then another \$10,000 payment to the selling franchisee six months after the sale.

Ben & Jerry's also implemented a "Manager-to-Franchisee Program" that is intended to assist Scoop Shop managers become franchisees. While the program is not limited to BIPOC managers and candidates, it provides additional support and pathways for those who desire to move into an ownership role. The program works with each manager (and their franchisee) to develop a cohesive plan to support their growth and development into franchise ownership. The Manager-to-Franchisee Program includes many of the same or similar incentives as in the Racial Equity Incentive Program, including reduced or waived initial fees and royalty fees, reimbursement for approved learning and development expenses, and customized training and support from the franchisor's support team. As was discussed by some of the panelists in our February 8, 2022, webinar, some of a brand's best qualified candidates come from the ranks of store managers (of franchisees and/or company-owned outlets). They know the brand, from the system culture to granular daily operations. Further, the franchisor, including its operations and field service support teams, often know the manager, which helps in the franchisee evaluation process.

Through their Unlock Potential program, Ben & Jerry's pairs disadvantaged youth, who will work in a store, with entrepreneurial franchisees. The goal is to educate young people regarding business operations in general, and Ben & Jerry's in particular, and to provide examples of solid business, management, and leadership. Training these young people to become Ben & Jerry's managers or franchisees is not the ultimate goal (although the company would love if that happened). Rather, it is to teach the life lessons and skills needed to become successful in business – and to provide an example of the benefits of small business ownership.

Another element of Ben & Jerry's diversity initiatives is a focus on the recruitment of diverse franchise candidates. That means working with local chambers of commerce and diverse professional organizations to identify potential candidates, and to promote scoop shop development.

Ben & Jerry's is well-known for its socially conscious policies and programs, from sourcing to environmental protection, to social and economic justice, among others. The Racial Equity Incentive Program aligns with, and is an extension of, the company's core values.

There is no one-size-fits-all program to increase diversity in franchising, and larger brands will likely have more resources at their disposal. At approximately 220 franchised Scoop Shops, Ben & Jerry's is not a behemoth in franchising, but it is committed to increasing diversity, and is putting personnel, money, and other resources to work. As noted at the outset, being intentional, and committing to a program or initiative, regardless of the scope or components, are critical.

*** If you or your brand have employed some of these initiatives or incentives, or if you have implemented other programs, please share them with us. The more that all of us in the franchise ecosystem share ideas and practices, the better.