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## **“HOSED: How My American Dream Became a Franchise Nightmare” by Jim Lager, Franchisee (Excerpt)**

### **From the Introduction: How I Achieved – And Lost – The American Dream**

Two years ago, I set out to write this book as a way to share the lessons I’ve learned about building a successful business as a franchise owner.

I had two pretty powerful success stories under my belt – and 4 decades of success as a franchisee of two separate national brands.

The main message that I wanted to convey was that one could be very successful if one did their due diligence, selected a franchise organization with a solid management team and a proven operating system, and *followed the system*.

Over my forty years, I had achieved success first as a Snap-On Tools franchisee and then as a multi-unit franchisee of a mobile hydraulic hose sales and service franchise called PIRTEK USA. While many franchisees with more industry knowledge and experience than me had become burnt out and disheartened and failed, I had maintained a top sales position in both chains and was heralded by each as their franchisee success story.

What I had noticed was that other some other franchisees had lost their focus along the way, became suspicious or angry with the franchisor and had a growing resentment with the royalties, franchise fees and product-mark-ups they had to pay them. Instead of simply focusing on following the proven system that they had invested in, their resentment ate away at them and their business. I saw many franchise operators with better territories and more technical experience than I go out of business while I kept expanding... earning more with less...

I did not plan to be an apologist nor a cheerleader for franchisors – not at all.

In my opinion, the majority of franchise opportunities being peddled to inexperienced Mom & Pop small business seekers do not justify their high franchise fees and royalties. Many have fundamentally flawed or short-lived concepts that are simply designed to harvest up-front franchisees.

And, believe me, even the best franchisors prioritize THEIR profits and best interests – not the franchisees. The “We’re all in this together” and “We don’t succeed if our franchisees don’t succeed” Kumbaya-like rhetoric of the franchise brochure, videos and Discovery Day presentations will never be heard again once you sign that franchise agreement.

I had intended to provide what I thought was a message of tough love right up front – dispel any illusion that there’s a “franchise family” as many franchise salesmen and brokers love to contend. The truth is that of course franchisors are fundamentally interested in maximizing their profits at the franchisee’s expense. If they could figure out a way to cut out the franchisee completely (and some have), they would. They’d rather not have franchisees at all.

But despite that, and despite the near-total control and power a huge franchisor like Snap-On Tools has over its franchisees, franchisees CAN succeed if they focus on their own business and *follow the system*.

Following the system religiously was the key to my continuous success up to that point. *Of course* the sales reps and corporate managers would sell franchisees more inventory than they needed to get a commission or bonus, and of course the franchisor would implement self-serving policies and pricing at the franchisees' success. But I had learned focussing on the negative crap franchisors were doing and allowed themselves to get discouraged *was far more deadly to the franchisee's business than the policies and practices themselves*.

In my original book, which I had tentatively titled "Why Smart Franchisees Fail," I was going to share the secrets of my considerable financial success as a franchisee with the message:

**If you find the right franchise with the right leadership team, and you FOLLOW THE SYSTEM, you will succeed!**

However, I now know that that advice and that message would have been completely wrong.

Today, just a few years later, the title of my book has changed from "Why Smart Franchisees Fail" to "HOSED: How My American Dream Became a Nightmare."

Instead of the positive affirmation that if you follow the system, you will succeed I will show you how, under the modern legal and regulatory system, *a franchisee is always in danger of losing everything, of having everything taken away from them – even if they followed the system, achieved unparalleled success, and won every conceivable award*.

When I sat down to write this book just a few short years ago, I had no idea that I'd be sharing new and more powerful lessons – having had everything taken from me, having been attacked and bullied, defamed and demeaned by the very company that had given me every award from Rookie of the Year to Franchisee of the Year to Mentor of the Year to "Most Enthusiastic."

I had no idea that I'd be sharing the secret that many of the most "respectable" professionals in my industry – including prominent attorneys, arbitrators, and

industry experts – have created and maintained a system that shackles many small business owners into a form of slavery, and can simultaneously destroy them and their families while preventing them from screaming for help.

I had no idea that I'd be revealing the secret that those at the top of the industry I spent my entire career in not only protect liars, predators and fraudsters... many of the ARE liars, predators and fraudsters.

I had no idea I'd be writing to you in the midst of a horrific battle that has me seeking bankruptcy protection despite having built several successful businesses... both franchised and independent.

**The Good News: This is a much more Powerful Book. It Just May Save You From An American Nightmare**

To be clear, this book is not a whiny account from a failed franchisee blaming others for his own choices. I didn't fail. I succeeded and will succeed again.

And I'm a fighter – not a whiner. I don't give up and I don't lose.

However, this book is about the death of franchising as a viable path to the American Dream, how we've allowed the schemers and manipulators to turn it into a rigged system, a Ponzi scheme. And it's about what needs to be done to restore the power and promise Franchising can provide

Whether you're already in the franchise industry, are considering buying a franchise or are seeking another path to franchise ownership, this book will reveal secrets and provide you with lessons that came as a complete shock to me after four decades of success. They are lessons anyone in an entrepreneurial business need to know.

Unless you want to risk financial devastation and a lifetime of knowing it could have been avoided, please read my short but powerful tale through to the end.

And do not buy a franchise – any franchise – (but especially a PIRTEK franchise) without reading and understanding the true story and the lessons that follow.

***The Dreams you Save May be Your Own.***

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