



**Thank you for  
joining us!  
Today's  
webinar  
will start  
momentarily...**



**The Top 10  
Financial  
Challenges Faced  
by Next Gen  
Candidates**

Presented By:  
Mark Kashgegian, CPA



# Today's Presenter



Mark E. Kashgegian, CPA  
[mkashgegian@gggcpas.com](mailto:mkashgegian@gggcpas.com)



# Top 10 Challenges of a Next Gen

1. My parents are not eligible for growth and rewrite (new term).
  - Importance of **business planning** with parents' organization and McDonald's





# Top 10 Challenges of a Next Gen

## 2. I have no money.

- 41% of Next Gen candidates claim they have saved more than \$50,000
- 15% of Next Gens state they have saved \$0
- Outright purchase/gifting
- Restaurant Value
- Discounts





# Top 10 Challenges of a Next Gen

## 3. My credit is not pristine.

- 48% of Next Gen Candidates claim to have “excellent credit”
- If that is not you, NOW is the time to improve – it’s never too late!





# Top 10 Challenges of a Next Gen

4. My educational background is not financial
  - It's Okay!
  - Surround yourself with trusted business advisors (CPA, financial advisor, etc.)
  - Work with your finance team in your region
  - Educate yourself – attend workshops, webinars, Next Gen team meetings and Profit team events in your region.



# Top 10 Challenges of a Next Gen

5. I'm not involved in the financial side of the business.
  - Financial Statements
  - Web FFS
  - McDonald's Financial Tools
  - Decision-Making Process





# Top 10 Challenges of a Next Gen

6. Where should my focus be on the financial side of the business?
  - Ensure your CPA is going beyond compliance.
  - Understanding Financial Viability
  - Business Action Plans
  - Ongoing Tax Planning
  - Personal Financial Planning & Wealth Management
  - Retirement Planning & Exit Strategies



# Top 10 Challenges of a Next Gen

## Understanding Financial Viability

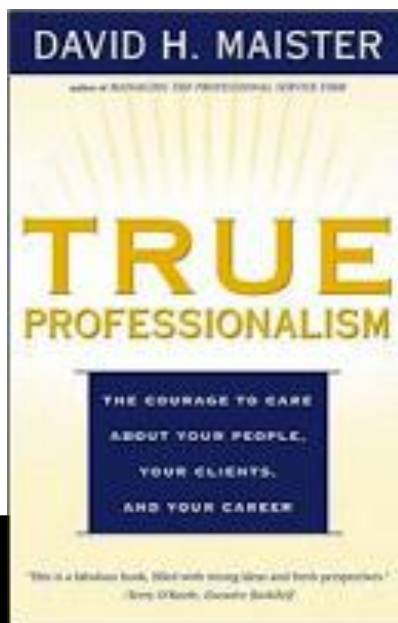
- Cash is King!
- Ratios
- New 6 Point System
- Factors that affect viability
- Quintiles
- Norm Reports
- Contribution Margin
- Managing Draw | G&A



# Top 10 Challenges of a Next Gen

## 7. I may not be a Dynamo

- Dynamos, Cruisers & Losers
- “True Professionalism” by David Maister
- The importance of energy & passion





# Top 10 Challenges of a Next Gen

8. How do I acquire 20% ownership and eventually 51%?
  - Gifting
  - Purchase
  - Combination of both
  - Meeting with financial advisory team



# Top 10 Challenges of a Next Gen

Which restaurant in my parents' organization makes the most sense for me?

- Restaurant Value
- Restaurant Profile
  - Age
  - Condition
  - Reinvestment Needs
- Entity Structure





# Top 10 Challenges of a Next Gen

9. I'm struggling to transition from restaurant manager to restaurant owner.
  - Technician vs. Entrepreneur
  - Who's my entrepreneurial mentor?
  - Involvement in McDonald's committees & teams
  - Leaders are Readers



# Attributes of an Entrepreneur

- Leadership/visionary
- Marketing skills (taking market share from competitors)
- Communication (orally and written)
  - “your words have the power to energize or quench passion”.
- Be open minded – Desire to learn
- Focus/Goal oriented
- Time management- being able to juggle all that an owner operators needs to
- Persistence/Persuasion – Rally your people
  - “everyone has a sign that hangs from their neck that reads – ***Make me feel important***”!
- Personal Accountability
- Integrity/Trust/Moral and Ethically Sound
  - “It takes 20 years to build a reputation and 5 minutes to ruin it”.
- Financial literacy – being able to put together a business plan



# Top 10 Challenges of a Next Gen

10. I'm unsure of my role and how it compares to my parents.

- Role of Next Gen Candidate
- Role of Parent Owner Operator
- Partnership







# Questions?



Mark E. Kashgegian, CPA  
[mkashgegian@gggcpas.com](mailto:mkashgegian@gggcpas.com)



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Mark E. Kashgegian, CPA is a Certified Public Accountant in Massachusetts and serves as Partner at Gray, Gray & Gray, LLP.