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THE UPS STORE

**Founded** / 1980, as Mail Boxes Etc.; acquired in 2001 and renamed The UPS Store in 2003  
**Worldwide units** / 5,004 (U.S. & Canada)  
**U.S. units** / 4,652  
**Cost to open a unit** / \$177,955 to \$402,595  
**Cost for a "store within a store"** / \$68,225 to \$248,750

**WHEN IS A STORE** not a store? It sounds like a Zen koan, but it's actually the key to The UPS Store's new strategy for franchise growth. The UPS Store, says VP of franchise development Chris Adkins, is striving to redefine the notion of a "store" entirely.

The company launched its "store within a store" concept in the 1980s—enabling freestanding versions of itself to be set up inside hotels, convention centers, and so

on—but it reengineered the concept in 2016 to offer even smaller footprints inside places like pharmacies. Then, last May, The UPS Store further loosened several requirements (like no longer needing to install mailboxes) to make the model even more flexible. The result was a "dramatic" reduction of the cost to open a store—sometimes as much as 83 percent—and an increasingly appealing option for business owners of

all kinds. Store-in-store represented about 10 percent of the company's new unit sales in 2017, and it hopes to double that this year.

One recently opened store-in-store location can be found in the corner of a Brooklyn pharmacy, itself only about 800 square feet. Adkins says it's "so small, you may even miss it." But he recalls the pharmacy owner saying, "You know what, I don't care if I make a fortune

on this, because now I am *everything* to everybody in my community."

Now The UPS Store is looking at other ways it can plug into existing spaces. The company is currently piloting an idea to serve universities in partnership with a tech-savvy "smart locker" company called Luxer One. Students receive less and less mail but still get care packages from dotting parents (not to mention discounted textbooks from Amazon Prime Student). One UPS Store/Luxer One pilot is active at Belmont University in Nashville, where Luxer's technology tells The UPS Store's employees which locker to stash packages in, then sends students an access code to use on the locker 24/7. "No more waiting in line," says Adkins. —**DAVID ZAX**

PHOTOGRAPH COURTESY OF THE UPS STORE