

ary sales than they would from the rider training itself. There is, in other words, the possibility of far more money in riders' training than anyone suspected.

The franchise report divided the country into five regions—West, North Central, Northeast, South Atlantic and South Central. It also determined that “only urbanized metropolitan areas” were feasible, since each franchise would need an urban territory of at least one million people. In the western region alone, the report estimated the MSF would reach up to 59% of the targeted rider populations. In fact, the report stated it already had a plan to take over San Diego and convert it into a franchise. The northeastern region was almost as good, since it offered an estimated 42% of the needed urban coverage.

This system, the report writers said, could be introduced gradually “on a region by region, market by market basis.” In other words, franchises would spread across the country from city to city, state to state. This transition time would allow current non-profit programs to continue training while the franchises were established. But to be able to manage the transition, the MSF would have to first set up regional offices.

That was the basic plan and it seemed as if the MSF [immediately] moved toward franchising. That same year, California was established as the first regional base, and a year later, in 1982, the MSF established three more regional offices. The reason for the divisions was explained quite differently to those outside the MSF boardroom. The goal was, according to Safe Cycling, the MSF's magazine, to “provide better channels of communication between the MSF, course sponsors and instructors.” It even hinted at franchises when it said “the number of large, financially self-sufficient programs is likely to increase with the direct assistance of the regional offices.” Until now, it was assumed the MSF meant state programs, but it just as easily could have meant franchises.

Even more suggestively, the California state program was designed by the MSF under their administration. According to Safe Cycling, August, 1982, the California Office of Traffic Safety had contracted with the MSF in 1980 to “develop, coordinate and promote rider education” in the state. The MSF, then, set up the California program with independent for-profit site owners all overseen by a master administrator. This scheme is unlike most other states and it still endures today.

Marketing MSF Before the Franchises

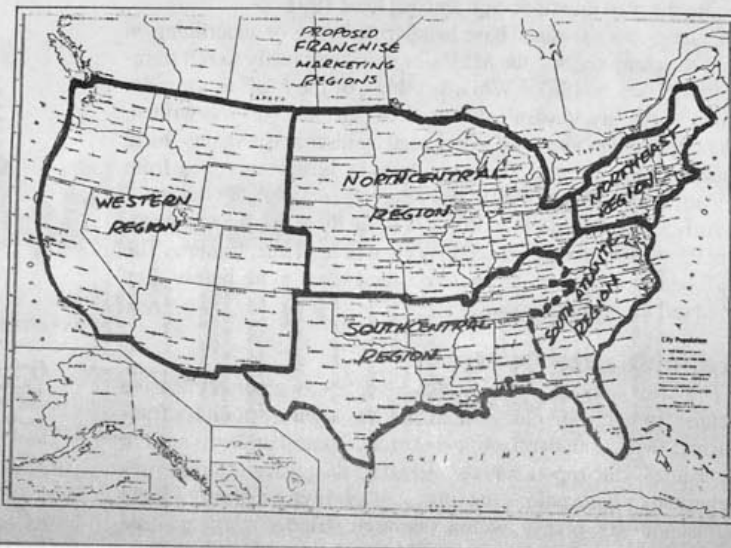
But there were some serious obstacles to the project, as “FK” noted on the side, “credibility” was an issue and “MSF must demonstrate ability—can't now.” To make this work, the MSF would have to do an aggressive marketing campaign to sell both the MSF and the franchise idea. “FK” noted, “MSF must have professional advertising capability—doesn't now.” The writers also recognized that entrepreneurs wouldn't pay a franchise fee unless they believed that the MSF's role was essential both in setting it up and offering continued services.

In other words, the prospective buyers had to believe that the MSF was the only possible provider of a curriculum, credentials, and on-going training and courses and that the MSF brand name would attract students. But the MSF had to be ready to help those businesses grow. And, as “FK” noted, “MSF doesn't have this” [his emphasis].

And, of course, the MSF still had to convince people they needed to learn how to ride.

Exerting More and More Control

In the next few years, the MSF began to combat these drawbacks.



The above map was included in the franchise report. The Safe Cycling cover on page 29 is dated August, 1982, less than a year later. Although the North Central and South Central regions run horizontally on the above map and the Eastern and Western regions run vertically on the magazine cover, the basic divisions are almost identical.

They aggressively marketed themselves as the central training authority and did it in a series of steps:

The MSF established an 800 number so that all local training inquiries came through the national office. It pressured local programs to increase their marketing and ramped up national advertising in a series of public service announcements and celebrity endorsements.

The MSF renewed their contractual relationship with the National Highway Traffic Safety Administration (NHTSA), which gave them federal credibility. It also worked even harder to establish themselves as the training experts in the various states, through promoting their licensing standards and tests as well as lobbying legislatures to adopt their model legislation and mandate their training. Since these steps fit in with the public mission of the MSF, no explanation was needed to justify them.

Over the next few years, as well, the MSF increased the power and authority of the Rider Education Recognition Program (RERP), which had begun in 1975. Within a few years, instructors, sites and states needed a RERP number to be certified as a training site and to get critical insurance.

Most importantly, by the end of 1983, the MSF began signing contracts with state programs that established itself as a “seal of approval” and the arbiter of national standards. The states now had to report to and be certified by the MSF if they wanted to use the logo and curriculum. By the end of the decade, the MSF had accomplished that key goal: To be seen as the authority in rider education.

While it's possible these steps may have been totally unrelated to the franchise plan, they certainly began to position the MSF to institute it one day.

The Plan Hits Potholes

As the MSF was moving towards establishing franchises national events delayed its implementation. In 1982, President Ronald Reagan cut federal funding for motorcycle safety programs in half and that led to an about-face on the franchise plan. As the report said, the local programs had to keep operating until the franchises were sold and operational. Another source of funding for local programs had to be found and state funding—and state programs—were now seen to be the answer.