



# FRANCHISE A Partnership for Success OPPORTUNITIES

BY ROBIN WESTMILLER

When April 15th draws near, what two-into-one tax preparer comes to mind?

Chances are, if you happen to make an appointment with H&R Block, you will probably never meet anyone named Block. You will more than likely meet a Mr. or Ms. Jones, or someone like them, who are the owners of the very well-known franchise.

From fast food to transmission and brake repair to plumbing services and even creating your own teddy bear—franchise opportunities are now available for just about every business imaginable.

Even the landscape industry. “The best candidates for the franchise business model are landscape contractors who are looking to grow their existing business and aren’t exactly sure how to go about doing it,” says Scott Frith, president, Lawn Doctor, Matawan, New Jersey. “Or someone whose business may be struggling because they may be trying to run everything by themselves and may feel that they can be more efficient and successful with the help of a franchise partner.”

But why buy a franchise in the first place? This question is asked by many people looking to get into a business. The reason is that, hopefully, you’re buying a successful, proven business method. All you have to do is follow the business plan.

The buyer or franchisee pays a one-time, front-end fee. This fee covers the right to an exclusive territory, but equally as important, it buys the training, eases the start up of a new business, and of course, provides name-brand recognition.

Additionally, there are continuing mandatory royalty fees. These fees are usually based on a percentage of sales or a monthly dollar amount, or a combination of both. Once again, you need to ask the reason for these fees. The answer

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should be: to cover the cost of ongoing training, to develop outlets for you to buy your equipment and supplies at volume discounts, to send personnel into the field to work with you, etc. All of these costs are covered by the royalty fees, in addition to allowing the company to make a profit.

“If you have a background in the landscape industry, you already have a leg up with our franchise models,” said Ted Hofer, CEO of Spring-Green, Plainville, Illinois. “We offer an owner/operator model

for an up-front investment of approximately \$99,712 to \$111,112. This covers a territory area of between 40,000 and 60,000 single family homes. Under that model, the owner is out working in the field for the first year, doing a lot of the work himself. The executive model is two territories between 80,000 and 120,000 homes. It’s a larger up-front investment, but it also allows the owner to hire someone to go out and do the work while he manages the business.”

Many companies that franchise have candidates go through extensive pre-qualification interviews, have them visit other franchisees and hold special events at their home offices to get to know the candidate before they sign on the bottom line. Almost all franchise programs provide extensive training and support for their new franchisees. They want the franchisee to succeed.

Many provide marketing programs and design professional advertising campaigns for television, radio and newspaper flyers, which would probably be cost prohibitive for a sole owner. All this is provided for in the royalty fees.

“The landscape industry is highly competitive,” says Frith. “So, having that name recognition is extremely important. Your franchise

covers an exclusive territory, which means that there isn’t another Lawn Doctor franchise that you’ll be competing with in your area. When you see a truck driving by with a big green thumb painted on its side, you know that thumb is part of your hand and no one else’s, within a specific area. That area can be anywhere from 10,000 to 120,000 single family homes, and they’re all yours.”

Homeowners who are already familiar with a brand and the type of service the company provides will hire that brand to service their new home. They recognize the brand and are comfortable with it. When they see your truck with the same logo on its side, they will also feel as if they hired not a company, but a friend. Consistency is the number-one advantage in a franchise.

U.S. Lawns specializes in the commercial landscape management sector. “We’ve developed an operations manual that has proven invaluable to the ‘newbie’. Within that manual is precise information about costing out a job, what the percentage of profit should be, some of the pitfalls to avoid, and so much more,” says Ken Hutcheson, president of U.S. Lawns, Orlando, Florida. “It is their bible.”

“Our market segment and clients have changed significantly over the past 25 years and we continue to evolve every day,” says Hutcheson. “The business has transitioned from a single-site client, to one that has multi-sites in multiple geographical areas.”

In the early years, for example, the client may have owned an apartment complex in California and be serviced by our franchisee in California. Today, that same client may have 25 or 30 apartment complexes all over the country,”

Hutcheson said. “They call us because they know our brand. Even though they’re separate franchisees, the client is working with one brand, and since he already

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knows the brand, he knows exactly what he’s getting no matter where the property is located.”

“Our strategic accounts area of our business includes a full-time staff that invests their time coordinating the efforts of our franchisees, who service national as well as regional account clients. So if you’re a new franchisee, you may very well be given work that is managed by the U.S. Lawns home office. What a great start to their new business,” says Hutcheson.

Spring Green requires their new franchisees to invest \$25,000 toward their marketing campaign the first year; more than half of that goes for the company’s direct mail program, which generates about 70 percent of the total sales. The phone number on the mailers goes to the company’s national call center, where real live people answer the phones and make the sales for the local franchisee, while the owner is working out in the field.

“We give our new franchisees a lot of training in marketing, in-field training, door-to-door sales training, and face-to-face sales training, so when they’re servicing a property and a neighbor stops by to talk about the job or ask questions, the crews will know how to handle those situations and make sales,” said Hofer. “The training isn’t only about how to service the property, but also how to service the clients and gain new clients as well. One of the ways we reach out to the community to help our franchisees is with the direct-mail campaign we send out every spring.”

To support their franchisees, some companies host marketing webinars and online forums, for additional support from their peers. Since your territory is protected, the networking between franchisees should be a wide open forum.

Exclusivity, company support, brand name recognition and a cool logo are all excellent reasons why buying a franchise may sound like something that would appeal to everyone who wants to move forward with their business. However, Hofer will be the first to admit that the franchise model isn’t for everyone.

“If it’s not a good fit from the beginning, we would pretty much know when they go through the qualification process, which can take up to 60 days. With the amount of investment on both of us, we want to make certain that our franchisee and the potential franchisee are a right fit,” Hofer said.

With more than 25 years in the franchise industry, Gary Redfern, Nutri-Lawn regional manager in Kirkland, Washington, says that

for some very independent business owners, giving up some of the creative control and paying a monthly royalty can outweigh the benefits of buying a franchise.

“It is very important for anyone looking into buying a landscape franchise to conduct a complete and thorough cost-benefit analysis to determine whether it would work for them or not,” Redfern said.

Even if you’ve tried the landscape franchise model and found that it just wasn’t the right fit for you, or perhaps all the territories in your area have already been purchased, there are other franchise opportunities that might be perfect for you. Professionally installed Christmas lights are the perfect addition to a landscape service menu.

“Some of the loudest messages we’ve heard coming out of the green industry for the last few years has been about diversification,” says Brandon Stephens, vice president of marketing for The Décor Group, Lubbock, Texas. “Contractors aren’t just sitting around waiting for new things to happen, they’re looking at what they already have to generate more income, and that’s where we come in.”

“The holiday season is an excellent time to establish a meaningful relationship between your business and your clients. You can recruit new business during this emotional peak, and then once you’ve established a relationship, you can continue that with their landscape services, pest and weed control or irrigation services and everything else you offer all year round.”

While you may have to convert your existing trucks, uniforms and other equipment over to the franchise’s colors and logos, you can

use all of your existing assets: same trucks, same trailers, same ladders, everything you already have in your business. You’re also able to keep your employees during the

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A Partnership for Success of the country, the landscape business goes into hibernation.

“So, instead of having that truck sitting idle on the lot, and having to lay off your employees, it’s out with a crew installing Christmas lights,” says Stephens. “Coming out of the industry, those messages of diversification are being heard—not just from the standpoint of generating more revenue for your assets, but also in making your employees more valuable: they can do more things. Your crews aren’t just landscape maintenance crews, they’re now holiday light decorating crews during the holiday season, and a change of pace is nice. We hear from our franchisees that their crews are enjoying the time of year as well, especially since they’re still working. It sure beats the alternative of being laid off, especially during the holidays.”

Christmas lighting can offset some of the overhead costs and generate income during the off-season, allowing you to stay busy year-round. Landscape lighting can also fit into this scenario—another layer on your ‘landscape services cake.’ While holiday lighting fran-

chises can be a profitable seasonal add-on to a landscape business, adding landscape lighting as a separate division is a year-round profit center.

In a service industry that seems to be in a constant state of flux, perhaps the stability of a franchise is what you’re looking for, if it’s available to you.

Hutcheson adds, “Franchisees are a superb investment, in that you’re more apt to succeed when you have the expert support and guidance from professionals whenever you need it, plus great exposure from marketing that franchising can do for you.”