



FRANCHISING TODAY

Non-traditional franchise locations – From Laundromats to the high seas

By Julie Bennett

Of the 206 new Subway Sandwich franchises that opened in June, 2005, only slightly more than half were in traditional locations – shopping centers or food courts. Others opened on college campuses (West Point Military Academy and the University of the West Indies, in Trinidad); in eight convenience stores; in a hospital in Puerto Rico and an amusement park in New Jersey; on military bases in Afghanistan and Iraq and in 54 Wal-Mart stores. In fact, 4,754 of the Milford, Connecticut's 23,000-plus units are in non-traditional locations, including laundromats in California, an aluminum smelting plant in New Zealand and every high school cafeteria in Anchorage, Alaska.

Darrell Johnson, president of FRANdata, an independent franchise research firm in Arlington, Virginia, says fast food franchisors like Subway have expanded so quickly that most of the good locations are gone. "To keep up their growth momentum, they must seek out new places to open restaurants, like schools, hospitals and other institutional settings where they have captive audiences," Johnson says.

Houlihan's, a casual dining chain in Kansas City, Missouri, is selling franchises to operators of hotels, including franchisees of Wyndham, Hilton and Holiday Inn. "We solve their dining problems," says Houlihan's CEO Bob Hartnett, "and by providing brand recognition, help increase their profits."

Non-traditional locations, in fact, are surprisingly profitable, because they are usually smaller than regular units and are tucked into existing buildings. The Saladworks unit at O'Hare Airport in Chicago, for example, grossed \$7,000 per square foot in 2004, while Saladworks franchises in traditional food courts took in \$1,700 per square foot. Company spokesperson Gail Scardapane says only two of the Conshohocken, PA franchisor's 69 units are in airports. "We'd love to have more," she says, "but getting in is a little red tapey."

Subway's public relations coordinator Les Winograd says government entities that award franchises in public venues like airports, schools and parks sometimes contact Subway headquarters directly. "Our regional office then offers the opportunity to a

franchisee in the area," he says. But other agencies vet franchisees themselves, often requiring detailed paperwork and insisting that a certain percentage of operators be women and/or minorities.

Coffee Beanery franchisee Peter Kwan says it took him two-and-a-half years, plus a 200-page bid proposal "like a PHD thesis" to win his first spot in Albany International Airport. He's since opened a second airport unit, plus one in the Rensselaer Train Station, and says his transport-based franchises are much busier than his two regular stores. Kwan says, "I'm Chinese-American and I was an engineer for 10 years with IBM, so I was able to create very elaborate documents."

Camp Bow Wow franchisee Beth Bauer also has an airport location – which she shares with several Labradors, a St. Bernard and a dachshund named Molly. Heidi Flammang, CEO and 'top dog' of the Denver-based doggy day care franchise says she originally targeted metropolitan areas for new units, but discovered that sites near airports work even better. Bauer says she can see the Indianapolis airport terminal from her front



door. Travelers drop off their pets on the way out of town, and pick them up right after they're retrieved their luggage.

Other franchises operate with no set location at all. FRANdata's Johnson says that 147 of the 2,000 franchisors tracked by his office are mobile, and take their services directly to homeowners or small business customers. Franchisees of Pressed 4 Time, headquartered in Maynard, MA, for example, pick up and deliver dry cleaning. The 80 franchisees of Swisher Hygiene in Charlotte, North Carolina, clean and provide supplies to the bathrooms of 60,000 customers, ranging from truck stops to country clubs.

The 110 franchisees of Sea Tow Services International, of Southold, NY, are all experienced boaters who sell marine

4,360 calls for help.

Sea Tow franchisee Captain Michael Haas of Jacksonville, FL, for example, pulled three men out of the Atlantic just seconds before their fishing boat sank. "They were 8 to 10 miles from shore," Haas says, "and thought they were going to die."

Haas admits running his 24/7 operation "can get hairy, and even dangerous," but says he enjoys it more than any land-based traditional business.

assistance memberships (like AAA on the water) to fellow boat owners, then provide help when it's needed. Over this July 4th holiday, they received

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