

# Start Me Up!: These Five Young Brands are Off to the Races

BY KERRY PIPES

Starting up a new company is risky business, even in a healthy economy. Despite the troubles and fears that have plagued the economy and business world in the past year, many new franchise concepts have hung out shingles, and others that were just barely off the ground are thriving today.

We talked with top executives from five "new" franchise concepts about where they came from and how they've made it work--amidst the challenges, and against the odds. Each is characterized by a unique, innovative product offering, and for some, a distinctive delivery approach. As you'll see, these entrepreneurs believe in their brands, and are not letting anything--especially the headlines--get in the way of their continued growth.

## **By the book(keeping)**

"There's no other franchise company doing what we do," says Greg Jones, CEO at Bookkeeping Express. "We have a unique niche as a provider of bookkeeping services for small businesses. There's no H&R Block for bookkeeping--and that's what we offer."

Bookkeeping Express actually was founded in 1984 in Southern California and grew for years through a licensing process. Fast forward to 2007, when Jones and two partners purchased the company with the intent to move it to McLean, Va., and start opening corporate locations and begin franchising.

"I have franchising industry experience," says Jones, "and after analyzing the marketplace I believed we could successfully franchise Bookkeeping Express." As a side note, he is also a franchisee for 5 Guys Burgers & Fries and is currently building out a territory in Florida.

Bookkeeping Express began offering franchises for sale in July 2008. The first franchisee came aboard in August, and as of this past June 2009, there were 116 territories sold to 14 franchisees and 16 locations open. "We really only look at multi-unit operators," says Jones.

He says the brand is very "systematic and process-oriented." That's part of the reason they operate two corporate units. Those stores not only provide revenue, he says, they also offer a great testing ground, providing "firsthand insight that helps us continue to tweak the programs and services we offer." Jones says that to serve a variety of small businesses (typically \$100,000 to \$3 million in annual revenue), the company has had to be flexible and develop a number of different services and products.

Since starting to franchise, he's received a boost from an unexpected source. "The economy has been more of a help to us than a hindrance," says Jones. "As businesses have been forced to lay off employees, some of those companies have turned to us to outsource their bookkeeping needs." Also, a number of laid-off workers have come knocking at his door in search of a future in franchising.

Indeed, there's been no shortage of prospects, according to Jones, who says they average more than 60 inquiries a month. "Finding the right candidate is important, and the sales process is an important determiner for both sides," he says. Slow and steady growth and a focus on supporting the existing franchisee base is fundamental at Bookkeeping Express.

"We don't want to get too far ahead of the wheel," he says. "We must pay attention to our existing franchisees and in developing and providing the products and services they need."

There are Bookkeeping Express locations in eight states right now and Jones says the brand is looking to grow throughout the U.S. He says they'd like to sell another 25 territories in 2009, 30 more in 2010, and 32 during 2011. At present, a corporate staff of a dozen handles all sales and support functions. The cost of entry is \$30,000 per territory and franchisees can choose a home-based model, storefront, or commercial location.

"It's all about ROI, and we believe our business model offers that," says Jones. He should know.