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Fresh Coat Painters eyes Syracuse, Binghamton markets

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JOURNAL STAFF

SYRACUSE — Ralph Martin wants to spruce up Central New York by opening several Fresh Coat Painters franchises in the Syracuse and Binghamton areas.

The Cincinnati-based company already has successful franchise locations in Albany, Queens, Port Chester, and Wappingers Falls, says Martin, president of Fresh Coat. Binghamton, Syracuse, and Buffalo are next on the list of targeted expansion opportunities, he says.



Martin

All three locations, he says, show the right mix of demographics, which include an unemployment rate slightly better than the national rate.

"We look for opportunities where the marketplace is really demanding painting," Martin says.

While housing sales have slowed in those markets, as well as across the country, that doesn't mean the demand for painting has declined with it, he says. "We're seeing a shift ... from people doing a lot of fix-up for selling to doing fix-up because they're staying."

The current economy also means that more people are looking to start their own business, he says.

"Folks looking for opportunities to get into business for themselves are thinking about that much more seriously than in the past."

He hopes that interest pays off in interested franchisees in Binghamton, Syracuse, and Buffalo. Martin hopes to have one location open in each market by the end of this year, with two or more locations open in each area within the next 12 to 24 months.

The company, founded in 2004 and franchising since 2005, offers a different type of painter in its markets, Martin says. "It was really born out of recognition that to get a painter to do a small job is very difficult," he says. Painters might put off an interior job on a sunny day to take advantage of the weather for outdoor jobs.

"It's really because of evidence that the industry is very undisciplined and, for all practical purposes, the big players were all local mom-and-pop businesses."

Fresh Coat is different, he says, because it guarantees when painters will show up for the job, regardless of the weather.

The company also has some unique offerings for franchisees, including in-house financing for those just starting up, Martin says.

"We believe in our system," he says. "We know it works." Which is why the company is willing to invest its own money to help franchisees get started.

The franchise fee is \$27,900, with an

ongoing royalty fee of 6 percent. The franchise agreement lasts for 10 years and is renewable for two more 10-year periods, Martin says.

According to entrepreneur.com, the Web site of *Entrepreneur* magazine, the average cost to open a Fresh Coat franchise ranges between \$36,400 and \$58,900. Fresh Coat requires franchisees have cash liquidity of \$20,000.

Franchisees also benefit from purchasing cooperatives and pre-negotiated supplier contracts for materials including paint. That enables franchisees to get the best prices, which helps them offer competitive prices to customers, Martin contends.

The average cost to have one room painted by Fresh Coat is \$199, he says.

Fresh Coat will advertise for potential franchisees in each market in the near future, Martin says. The typical Fresh Coat franchisee comes from a sales or marketing background, preferably at the middle-management level, he adds. Most franchisees work the business full time or hire a full-time manager as well as anywhere from six to seven employees.

Martin declined to provide typical franchise sales or overall sales totals at the privately owned company, but says sales have increased about 16 percent this year compared to the first eight months of 2008. The average job size increased about 16 percent as well, and sales at the company's top locations are up 35 percent over the last 18 months.

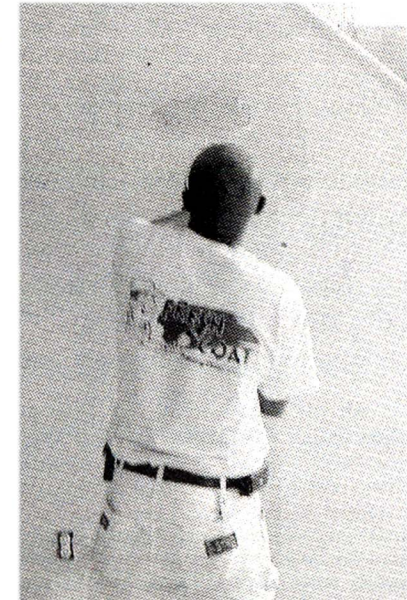


PHOTO COURTESY OF FRESH COAT PAINTERS

A Fresh Coat employee works on painting a wall. Cincinnati-based Fresh Coat Painters is expanding into the Syracuse, Binghamton, and Buffalo markets.

Headquartered in Cincinnati, Fresh Coat Painters (www.freshcoatpainters.com) employs 50 people at corporate headquarters and has 71 locations in the United States and two in Canada. □

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