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Ray Wren of Bojangles fills a customer's order.

## Franchise city

### Nationals drawn by Savannah's residential and business growth

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Not so long ago, Savannah was a smaller town than it is today, with smaller businesses. Back then, Levy's department store on Broughton Street was among the big kids on the block.

Now that's all changed.

Savannah has been growing not only in citizens, but in businesses, and the potential for profit is drawing national names to set up shop in Savannah.

In other words, franchises.

A spate of franchises has taken an interest in Savannah in recent months, everything from fast food to construction equipment to mosquito-control companies.

There's no magic formula for why all these franchises are eyeing Savannah. It's pretty simple, really. People.

Savannah's population is growing, and that means more potential customers.

A lot of those people are coming for jobs at places such as the port of Savannah, the hospitals and companies such as Gulfstream Aerospace Corp. and construction equipment manufacturer JCB.

"For years, Savannah's geographical growth seemed to be limited by the military base and the interstate and the railroad tracks," said Joe Dyer, operating partner/president of BoStarr LLC, which owns a Bojangles' Famous Chicken 'n Biscuits franchise in Savannah. "Then it's almost as if Savannah got full and burst at the seams and had tremendous development west — Pooler, Rincon — and a lot of that is from the ports activity and Gulfstream, and that's created some new markets that weren't really viable for franchises 15 years ago."

Dyer and business partner Hal Dixon were among the earlier entrepreneurs to see potential for franchises in Savannah.

Dyer and Dixon opened the Checkers restaurants in 1994. When Dyer sold his share in 2003, he and Dixon started



Bojangles employee Jasmyne Plair slides an order across the counter to a customer.

looking around for another opportunity. They researched population information in a 1-, 3- and 5-mile radius, the number of households, median income and age mix, and decided Bojangles' would be a good fit.

Dyer and Dixon are planning to open three more Bojangles' locations in the Savannah area in the next two years.

#### The right people

The same factors Dyer cited have attracted the attention of a number of other companies that have found or are looking for people to open franchises of their business in Savannah. Wing Zone, Einstein Bros. Bagels, Baskin-Robbins and MosquitoNix all are opening franchises here.

For Einstein Noah Restaurant Group Inc., which owns the Einstein Bros. Bagels franchise, Savannah not only has enough people, but it also has people with income and education levels that make them a target demographic for Einstein.

It wants consumers with some college or advanced college degrees, a good compensation base and active, health-oriented people who will like the company's healthier food options.

And because each store only needs between 2,500 and 2,700 square feet,

a franchise can fit into many of Savannah's smaller shopping centers.

"That's the exciting part about Savannah. It's a great community and you match up well with all of those criteria," said Paul Carolan, senior vice president of franchising and licensing for Einstein. "We've done some broad brush that there's enough population to have a fairly sizeable number of stores there."

Einstein is not sure yet how many franchises it will open in Savannah. Right now it is looking for franchisees, then it will decide on a number of stores and start looking for real estate.

#### Business to business

For some franchises, it's not only Savannah's population growth, but also its business growth that is appealing.

Landscaping company U.S. Lawns is looking to open a location here to capitalize on the growth of industry and businesses.

"As houses go into an area, so do the support services: hotels, Wal-Mart, etc. Well, somebody's got to maintain those," said Paul Wolbert, vice president of U.S. Lawns. "You begin to say, they've got x number of businesses in this area, and x

#### EXCHANGE



#### Flood of franchises

The potential for profit is drawing national-name retail franchises to open their doors in Savannah, predicated on a growing Coastal Empire population that means more customers. 1D

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# Franchise

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number of landscapers, but there isn't anybody that has more than a 2 or 3 percent market share."

Savannah is also well-positioned for U.S. Lawns to seek corporate business from companies such as The Home Depot or Walmart that have multiple locations in the area, Wolbert said.

The company just sold a franchise in Savannah, and the owner is finishing training and will be soliciting business soon.

Volvo Rents, which rents construction equipment, is drawn by the building boom the area has seen in the past few years.

Nick Mavruck, vice president of marketing, sales and strategy for the company, rattled off a number of statistics that attracted Volvo Rents to Savannah. Savannah has seen about \$895 million in construction spending this year, and spending is projected to grow to about \$958 million by 2008, a 7 percent growth rate, Mavruck said.

"The market in Savannah continues to grow, so we want a presence there," he said.

Volvo Rents also likes the fact that Savannah's construction market is not just about housing, but also commercial construction, which indicates a balanced economy that would be better able to weather a slowdown in the market like the one in new home starts in the past few months.

In 2007, there was \$390 million of non-residential construction spending in Savannah, Mavruck said. That number is projected to grow to \$407 million next year, and \$458 million in 2011.

"To us, that's a tremendous leading indicator in that we see a diverse economy and that business wants to locate there, so it's a market that's not overly reliant on residential construction," Mavruck said. "In markets that were overly reliant on residential construction, it just stopped."

Volvo Rents is looking for a franchisee now and hopes to open a location in 2008.

## Brand recognition

It's clear what franchise companies see in Savannah. But what do entrepreneurs see in franchise companies?

Different franchises offer different things, from start-up capital to bookkeeping and accounting services to bulk buying power.

In the case of Volvo Rents, a franchisee who qualifies can get up to \$5 million in capital loans to open.

Help from a franchise instead of going it alone is one of the things that attracted Dyer and Dixon to Bojangles'.

"My partner and I have conjectured on several start-up companies, and we keep coming back to the idea that a franchise has a track record and has a following," Dyer said.

"There's been a lot of excitement from people about us opening a Bojangles' as opposed to opening Joe's Chicken Shack, not only with the brand recognition, but with recipes and other things."

There's a lot of ways an entrepreneur benefits from opening a franchise. You don't have to reinvent the wheel."