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Turn a Low-Cost Franchise into a Big-Time Success

What would you do with \$8,000? Buy a car? Take a vacation? Go on a shopping spree? For most people, that amount of money wouldn't last too long or go too far. Kelly Strowd, however, stretched her dollars big time and made an investment that not only allowed her to quit her job but also enabled her to make money doing one of the things she loved most: caring for pets.

In 2006, Strowd invested a mere \$6,000 for the franchise fee and \$2,000 for supplies and officially became a [Fetch! Pet Care](#) franchisee. Now, she owns four territories, employs 72 pet sitters and provides care for 1,200 pets.

Surprised that Strowd was able to turn a minor investment into a major franchise success? You shouldn't be. "There is no correlation between the upfront cost of a franchise and what the owner can make," says Mark Laughlin, former owner of three low-cost franchises -- two of which netted over \$400,000 when he sold them -- and the Franchise Development Coordinator for Fibrenew, a low-cost franchise specializing in leather, vinyl, and plastic repair and restoration. "The most important element to your profitability is making sure you find a business model that fits your life and your personality, not just your business goals."

So how do you turn a little into a lot? Follow these six tips from Strowd and Laughlin:

1. Be committed and ready to work hard. For the first year and a half, Strowd worked full time as a police detective and spent her free time attending trade shows, experimenting with marketing and advertising ideas, and making a name for herself. "Starting and maintaining the business took a lot of long weeks and weekends," says Strowd, "but it paid off in that I was able to follow my true calling of working with animals and for myself."

2. Treat your customers like VIPs and they'll surely come back for more. Not only does providing excellent customer service come at no cost to you, but it also goes a long way. "I learned very quickly that you must treat customers exactly as you'd like to be treated, and that's something I've followed since Day One," says Strowd.

Laughlin agrees, saying, "One of the cheapest ways to grow your business is simply to follow the golden rule -- treat your customers the way you'd like to be treated. It will keep them coming back. We tell franchisees to return phone calls and e-mails by the end of the business day. Be professional and on time. If you do make a mistake, acknowledge it and fix it immediately. That is customer service 101, but the way people are treated is a huge determinant of success on the local level."

3. Save money by tapping into the franchisor's knowledge and experience. "When you join a franchise company, don't try to reinvent the wheel," says Laughlin. "A good franchisor has already gone through the expensive mistake-making process and developed best practices. Use that to your advantage to save a lot of heartache and cash. Stick to the plan and implement it."

4. Establish a regular routine and stick to it. A lot of low-cost franchises are low-cost because they're home-based. Understand what that entails and be prepared for the pros and cons of working from home. "When I first started, I would wake up every day and work a 'normal' 8:30 to 5:00 p.m. day, since that's what I was accustomed to with my old job," say Strowd. "Keeping a steady routine and a private space for your office to be organized is extremely important. In order for a home-based business to be successful, you need to treat it like a regular job."

5. Even though the franchise is low-cost, you still need to make sure you're sufficiently

capitalized. “It’s important to understand that going into a franchise business undercapitalized usually means setting yourself up for failure,” says Laughlin. This holds true for low-cost franchises and higher-cost franchises too. Laughlin suggests you sit down and figure out what your household budget is; then have a plan in place to cover those costs without dipping into your working capital. The perfect scenario is usually to have one spouse with a job covering most of the household costs and family medical expenses, allowing the new business plenty of time to grow and flourish.

6. Always keep an eye out for opportunity. “I didn’t intend to get this big, but the opportunities came up,” says Strowd. “Since I was the first in the state and already successful, I had an advantage of knowing the best territories where I could expand the brand.”

Follow these strategies, and you’ll soon find opportunity knocking on your door as well.

To see AllBusiness.com’s picks of this year’s [Top 10 Low-Cost Franchises](#), as well as a complete directory of more franchise opportunities, visit the [Franchise Center](#) at AllBusiness.com.

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