

# LAWN CARE INDUSTRY

## Do you have 'the right stuff' to become a franchisee?

**Dick Nelles wants people with administrative and management skills, 'people skills' and a passion for customer service.**

■ The requirements to become a good lawn care franchisee are wide-ranging, according to Canadian businessman Dick Nelles of Nutrilawn International, headquartered in Winnipeg.

A Nutrilawn franchisee has to be a person with overall management ability, Nelles notes. He has to be a good administrator, trainer and judge of personnel. He has to be able to handle the field operations; he has to be a good people person; he has to ensure his employees have a good attitude to service.

He also has to have some money in his pocket.

Nelles and his vice president and partner, Derek Riley, charge six percent royalty on franchisees' sales. In return, they provide technical support and help with business and market planning.

"It's a two-way street," says Nelles. "If our franchisees are successful, then we are successful."

Nutrilawn franchises sell for \$50,000 in larger Canadian markets and \$37,500 in smaller markets. Nelles observes that prospective franchisees also need enough capital on hand to ride out the lean years while they build up their businesses. A base of at least 30 customers is needed to make money, he notes. But the rewards would seem to be worth the wait.

The company's annual meeting in Ottawa in January focused on training franchise operators to train their staffs. "Because our franchises are growing so fast, we emphasize retraining on training procedures," Nelles explains. "The Ottawa franchise, for example, growing as it is,

has to train several new employees every year. It is a step-by-step process aimed at motivating employees to strive to excel in customer service."

Nelles reports that Nutrilawn is doing research on developing a tree and shrub program for its franchisees. Irrigation has also been looked at. In his view, though,

**Nelles: Lawn care is large size business opportunity with good growth potential.**

"you have to stick to your knitting"—your core business.

"Any add-on services should only be approved where a guy is doing a real good job of looking after that core business," Nelles maintains. "You have renewable business out there and opening new accounts to worry about. A new division requires more people and capital. From all the research I've done, the consistent message is that add-on services can detract from customer service. I would be very cautious about approving add-on services to what we do."

The keys to operating a successful franchising business like Nutrilawn are a good business plan and training program, choosing the right kind of people as franchisees and staying focused on your core product or service, Nelles has learned. Using that formula, Nutrilawn has grown to 26 franchises with system-wide sales of \$5 million in seven years. Projected growth for 1992 was 30 percent; Nelles expects 1993 sales to reach \$7 million.

When he started the business in Winnipeg after being a long-time agricultural equipment dealer there, he had 500 customers. Last year, there were 50,000 Nutrilawn customers in Winnipeg alone.

"From the outset, I felt the business could be duplicated successfully elsewhere," Nelles says. He developed solid training and support programs, and began marketing franchises.

"It is a large size business opportunity that offers good potential growth," he points out. "We have divided Canada into



87 exclusive territories."

Nutrilawn's first franchisee opened in Edmonton in 1987. Last year, that franchisee had 38 summer employees and took in more than \$1 million in revenue. Newer franchisees in Ottawa, the nation's capital, and Halifax are growing even more rapidly. Ottawa's revenue, for example, has jumped from \$100,000 in its first year to \$400,000 in 1991 to \$650,000 last year.

Although the Nutrilawn name is registered in Washington, D.C., Nelles has no immediate plans to sell franchises state-side. "We want to fully look after Canada first and make sure that our Canadian franchisees are successful," he says. "We have franchisees from coast-to-coast, but there are still a lot of areas to fill in."

—The author, Myron Love, is a freelance writer based in Winnipeg, Manitoba, Canada.