

## **Franchisers see big potential in Baltimore**

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As hundreds of franchisers try to recruit new business owners at a convention in Washington this weekend, some say they're targeting Baltimore for their next big push.

The Baltimore area's demographics, real estate values and level of commerce make it ideal for businesses that serve the business community.

"Baltimore is more affordable than D.C. and it has very reasonable areas where our franchises can do well," said Brian Brandenburg, who owns the rights to franchise ink and toner store Cartridge World in Maryland, Washington and Virginia. "And with the construction industry being down, the cost of building out is less."

Patrice Rice, who founded her hospitality recruitment company more than 20 years ago, said the Baltimore region is giving her more work than her company can handle. Rice began franchising her business just over a year ago and has 38 Patrice & Associates offices nationwide, including two in Maryland.

"Right this minute I probably have close to 60 jobs open in Maryland, and my two franchisees can't keep up," she said.

Brandenburg, Rice and roughly 200 other franchisers will be among the hundreds vying to get the attention of potential franchisees this weekend at the 19th annual International Franchise Expo beginning Friday at the Walter E. Washington Convention Center in D.C.

The show bills itself as the largest franchising exposition in the world. It features national and international franchising opportunities and is sponsored by the Washington-based International Franchise Association and endorsed by the U.S. Department of Commerce.

Interest is up this year with preregistration up 30 percent, according to the show director, Jim Mastandrea. Last year, 8,900 attended, about half of whom registered at the convention.

“I think we’ve turned the corner,” Mastandrea said. “[The] attitude of the [franchisees] is changing. ... They’ve gotten beyond being upset about it and they’re focusing on what they do best. I don’t want to overstate it — we’re not back. But we’re not sitting back either.”

He said service-oriented franchises, including business, elder care and human resource services, are becoming popular.

Those who attend the convention are typically not just window-shopping, he said. Most registrants have done their research on financials and real estate costs and come to the convention with an idea of what they want. And many are from the mid-Atlantic.

“So in terms of getting into Baltimore or the surrounding area, this is a bull’s eye,” Mastandrea said.

Other franchise concepts looking at expanding into Baltimore include Bojangles’ Restaurants, Little Caesars Pizza, Sarku Japan and Tide Dry Cleaners and ZIPS Dry Cleaners.

Mastandrea said franchising saw an “explosion” following economic downturns in 2001 and in the early 1990s, and the increased interest this year may be a sign of the same.

“I think people want to control their own destiny a little bit,” he said. “To keep looking over your shoulder, you get sick and tired of that.”

Brandenburg and Rice said concepts like theirs are appealing because of the low startup cost. Cartridge World, an Australia-based company with about 370 stores in the U.S., requires about \$125,000 to \$190,000 to open a new store. Rice said her associates can work from home.

But even businesses with higher startup costs are seeing interest, as long as the profit margins are appealing. Ralph Rillon, vice president of franchise development for ZIPS, said opening a new location requires about \$700,000 because the cleaning service is on-site. But that also eliminates the middle man, and Rillon said that helps ZIPS owners, who can handle thousands of garments each day with minimal staff, keep operating costs low.

“We’re getting fewer inquiries, but the ones we’re getting are from people from a good financial position,” Rillon said.

ZIPS has 11 stores in Maryland and plans to open one each in Bel Air, Westminster, Essex and downtown Baltimore. Stores in Parkville and Pikesville are scheduled to open soon.

