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Peddling Business Concepts



A fancy arm wrestling machine is one of the products featured at the show

Franchisers Converge on S.F. Show

By Sabin Russell

Franchisers selling everything from yogurt bars to arm wrestling machines will transform San Francisco's Moscone Center into a supermarket of the latest in business concepts this weekend.

The Washington D.C. based International Franchise Association, sponsors of the two-day show, hopes to draw 5,000 entrepreneur-minded Californians to the booths

of 80 exhibitors.

Directly across from Fly Clean Inc., a Houston company selling a franchised "professional aircraft cleaning service," Jack Barringer has set up a booth promoting his arm wrestling machine. For \$25,000, franchisees get a "turn-key" package that includes the unusual device, replete with bars, levers, a boxing-ring bell, and flashing lights that signify a winner.

Barringer, president of World

Class Events, Ames, Iowa, said he came up with the machine as a way of avoiding disputes over grips and elbow angles. "We think California will be our best market," he said. Barringer has sold 28 of the machines since April. His goal: 300 across the nation.

Service businesses dominate the franchising concepts on display. "The trend is towards conveniences, towards the market of younger people who don't have time to get their cars fixed, their

house cleaned," said IFA President William Cherkasky.

According to the U.S. Department of Commerce, sales of "business format" franchises — those operated according to a strictly enforced formula such as McDonald's — are projected to top \$171 billion in 1987, a 12 percent rise over the \$153 billion posted in 1986.

Maid franchises are among the most popular new businesses. Steve Downs, president of Foster City-based Great Maids Inc., founded his company four years ago as a professional housecleaning service. Three months ago, he got a license to franchise the concept in California. "We could either open up our own new offices or franchise," said Downs. "The fastest way to grow is through franchising."

San Francisco-based O! Deli, a fast-food delicatessen that offers franchises for \$25,000 apiece, hopes to expand from just three outlets to 2,000 in the 1990s, according to its chief executive Rick Cardin. With an MBA from Harvard, Cardin said he studied the franchise market for 3 years before settling on O! Deli's low-cost sandwich concept.

Jim Philpot of Pleasanton, president of Speedee Oil Change and Tune-Up of the West, will be recruiting franchisees for his auto tune-up shops, a business that has sprung up to replace the vanishing gasoline service station.

Philpot last December paid the New Orleans-based parent company \$200,000 for the "master franchise" that includes northern California. That gives him rights to sell in his territory individual franchises, which cost \$85,000 to \$100,000 to set up, including the \$25,000 franchise fee.

"We're looking for someone with a net worth of at least \$150,000," said Philpot. "No automotive experience is necessary. We want someone with management background."

He'll have to compete with similar franchisers at the show such as AVIS Lube, a subsidiary of the rental car company; Oil Can Henry's, of Portland Ore; and Precision Tune of San Francisco.