

Memphis Business Journal

THE BUSINESS AUTHORITY OF THE MID-SOUTH

Nov. 19-25, 2010 | memphisbusinessjournal.com



Jeff Gray opened his fourth Batteries Plus on Stage Road, where employee Amanda Knox checks the inventory. ALAN HOWELL | MBJ

Charging up more sales

Local franchisee opens fourth Batteries Plus store

BY ANDY ASHBY

Gray Co. of Tennessee Inc. dba Batteries Plus LLC is expanding its footprint in the Memphis market with a fourth store.

Jeff Gray, the Memphis-area franchisee, purchased a 5,631-square-foot building at 6115 Stage Road for an undisclosed amount. The property and building were appraised for \$563,200 this year.

Batteries Plus LLC
Battery retailer
HQ: Hartland, Wis.
Local franchisee: Jeff Gray
Local employees: 15
Local phone: (901) 752-0963
Website: www.batteriesplus.com

Hartland, Wis.-based Batteries Plus has more than 425 locations in 44 states and Puerto Rico. The company sells more than 40,000 types of batteries and battery-related accessories.

"If it's a battery, we'll have it," Gray says. "People come to us when they've gone two or three places and they're frustrated."

Its stores also have tech centers equipped to design, assemble, rebuild and test custom battery packs.

Batteries Plus franchises benefit from the fact that many retailers will sell a cell phone or laptop, but they don't sell the replacement batteries. The largest part of Batteries Plus' business is retail sales for consumer electronic devices. Another good portion is commercial business, such as back-up batteries for two-way radios, bulk alkaline batteries for hotels or alarm batteries.

Gray opened his first local store in 2002 in East Memphis. He opened a second store in 2005 in Cordova and a third in Southaven in 2008. Earlier this year, he purchased a store in Jackson, Tenn., from that area's franchisee.

Gray had worked in sales with Xerox Corp. for nine years. He lived in Nashville and was looking for a company to buy.

He found out about Batteries Plus by walking into a store looking for a battery on an errand. He liked the concept because it had a commercial side as well, and decided to invest in it. He discovered the franchise rights to Memphis were available and since he was from Memphis, he decided it would be a good investment.

Stores average about \$750,000 in business annually, according to the corporate website.

Gray would like to have at least one more location in the Memphis market open by fall 2011.

The stores average 2,000 square feet. In the Bartlett build-

ing, Batteries Plus occupies 3,350 square feet.

This gives the location extra storage space for other stores' surplus batteries and batteries that will be recycled.

Gray financed the transaction with a traditional commercial loan through First Tennessee. He would not disclose actual sales numbers, but said his stores are seeing double digit growth year-over-year.

"People are replacing batteries as opposed to items," he says.

Charlie Oates, president of Oates Commercial Properties, represented the building's previous owner, Sherwin-Williams Co. United Paint built the stand-alone building in 1988.

"It was surplus property because they have another building down the street," Oates says.

The property has two bays with a total 2,280 square feet. These bays can be combined or expanded to up to 2,700 square feet by moving into some of Batteries Plus' space. Gray was actually looking at space in the Bartlett Town Center when he drove by the building.

"The numbers made sense for me," he says. "I'd love to

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Jeff Gray

Gray Co. of Tennessee Inc., dba Batteries Plus LLC

lease the other space out, but I don't have to for it to make sense for me."

Oates is handling leasing at the property. He says commercial sales and leasing activity have picked up a bit recently.

"It's different day to day," he says. "One day, it seems like we're climbing out of the recession. The next day, there's some bad news and it feels like we're going in the other direction. It's precarious."