

CHARGED UP:

Franchisee Gary Carlton
is cashing in on
the growth
of Batteries Plus

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Gary Carlton
stocks bat-
teries for
cellphones
– and much
more – at
Batteries
Plus in Fort
Lauderdale.

SUSAN R. MILLER

Batteries Plus charged up over South Florida expansion plans

BY SUSAN R. MILLER

When Gary Carlton started his first Batteries Plus franchise 17 years ago in Clearwater, cell phones were the size of a shoe and there was no such thing as a Roomba cordless vacuum.

Today, the typical household has 22 battery-powered devices, and as technology expands, the number is certain to grow.

That increased demand has been a boon for Carlton, who also had stores in Tampa and Fort Myers. He sold all three, and two years ago, bought his fourth franchise in Fort Lauderdale, with plans to open in Boca Raton in the next year.

His story is part of a much bigger one being told by Hartland, Wis.-based Batteries Plus, which is looking to add five to eight more South Florida franchise locations this year.

"What attracts us about that market is that it has an excellent density of population, and people are what drive our business," said John Twist, Batteries Plus VP of franchise and business development.

The company has 452 stores, including 35 in Florida and five in South Florida. Thirty are company owned.

In 2010, average annual store sales were \$788,000. The top 25 percent of stores averaged \$1.365 million, Twist said.

While some may wonder if devoting an entire business model to batteries makes economic sense, you only have to look around to see how many of the things we use in our daily lives run on batteries, Carlton said: "Our car, our boat, our golf cart, our cell phone, our laptops, our digital camera, the key fob to open the car door, remote controls for fans and television sets, your security system backup."

Dunkin' Donuts may say "America runs on Dunkin'," but Carlton says it really runs on batteries. His shop, at 1515 E. Commercial Blvd., offers more than 30,000 types of batteries.

What was the strangest request? At his Tampa store, someone asked for a battery to run an artificial insemination machine for a bull.

Each store has a tech depot where battery packs can be replaced or built. Carlton has six employees, including his wife, daughter and brother-in-law.

A large part of his business comes from corporate customers including Seminole Hard Rock Hotel & Casino in Hollywood, which purchases batteries for its two-way ra-

THE DETAILS

Batteries Plus

■ **Franchise fee:** \$37,500

■ **Royalty fee:** 5 percent

■ **Total investment:** \$250,000 including site buildout, inventory, fixtures and signage

dios, door locks and backup power supplies for slot machines. Batteries Plus also provides battery packs to the Ritz-Carlton, Fort Lauderdale for keyless entry pads.

While he declined to divulge sales figures, Carlton said business increased 15 percent in the last two years.

Though Batteries Plus has some competition from retail stores, the real competition comes from Dallas-based Interstate Battery System of America, a privately held company with 195 stores nationwide.

Twist said the business has weathered the recession better than many others. When the economy is robust, people spend discretionary income on battery-powered devices. As the batteries need to be replaced, there is new demand.

In 2010, same-store sales grew 10 percent. While many franchises are closing, Batteries Plus has continued to expand. Since 2008, the company opened 129 stores and closed seven.

Matt Haller, a spokesman for the International Franchise Association, said growth outpaces the franchise industry as a whole.

Between 2008 and 2009, the number of franchises nationwide fell to 763,094 from 791,560. It increased slightly to 765,723 in 2010 and is projected to reach 784,802 by the end of the year.

Batteries Plus won't remain a one-trick pony. It's adding light bulbs to its business model. All new stores will carry them, and existing stores can add to their inventory.

"When you think of light bulbs, you think of lamps and ceilings, but there are thousands of unique light bulbs for all kinds of things," Twist said. "And with evolving energy-saving technology like LED and compact florescent, there is a huge synergy between batteries and bulbs."

For Carlton, it means a lot more opportunity.

"I sell batteries to Hard Rock right now," he said. "Just wait until I get into light bulbs."