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ENTREPRENEUR

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Editor: Katy Waters Smith |

ksmith@bizjournals.com | 614-220-5468

columbusbusinessfirst.com



Bright idea

WITH FIVE STORES open, a Columbus couple is finding success in a national battery chain as consumer electronics proliferate.

CINDY BENT FINDLAY | FOR BUSINESS FIRST

Look around right now, and chances are good you are within a few feet of at least three or four devices that use a battery. Modern life is full of them. Kindles, smartphones, laptops, cars, watches, thermostats, security systems, robot sweepers and Christmas decorations – all run on battery power at some time or another.

Enter Steve and Chris Sutton, the husband-wife team behind Central Ohio's only retail battery franchise, Batteries Plus.

"One of the misperceptions about our company is (something our friends asked us 17 years ago): 'How are you going to stay in business selling AA and AAA?'" Steve Sutton said. "No one really understood all the places that batteries are used, how many different types there are," he said.

It's the same story with Batteries Plus' new product line – light bulbs.

"All people think about are 60-watt incandescent or compact fluorescents," he said. "Our market is way deeper than that."

Market research backs that up. According to Cleveland industry research firm Freedonia, U.S. battery sales are expected to top \$16.8 billion in 2012 and

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BatteriesPlus

The introduction of light bulbs at Batteries Plus stores, such as the five in Columbus owned by Steve Sutton, foreground, is giving employees such as Product Manager James Easley new material to learn.

PHOTO BY JANET ADAMS | BUSINESS FIRST

PLUS: Recession spurring battery industry growth as people keep devices longer

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rise 2 percent to 3 percent annually through 2017. Demand will be driven by everything from consumer electronics to an increase in hearing aids as baby boomers age.

The Suttons met at an engineering firm in the area; Steve later worked at a custom cable assembly firm and had extensive background in battery assembly.

The couple finally scratched a long-standing entrepreneurial itch when they heard about Batteries Plus in the early 1990s, then a small but expanding franchisor. They opened the franchise's 18th store in 1994. This summer, the Suttons opened their fifth store and the chain's 457th.

RISE OF THE MACHINES

The battery industry is booming, Sutton said, and promises steady growth due to the ever-increasing popularity of mobile devices, from phones to tablets to MP3 players. Batteries Plus also does a steady business in automotive and marine battery replacement.

The chain is the only strictly battery retailer in the Central Ohio area, but it faces strong competition from big-box stores and electronics chains. Steve Sutton said the strength of the franchise is in the breadth of offerings – stores stock 1,150 battery types, and can special order tens of thousands more.

"When customers of ours need a laptop battery, they'd like it today," he said. "They get frustrated when they go back to the original dealer which has already moved



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George Arnold, manager of the North High Street Batteries Plus store, puts together a custom battery for American Electric Power.

on and they're not supporting that product any more."

The expertise offered in the stores is the other linchpin in the chain.

Battery types are proliferating as device manufacturers search for lighter, more durable batteries, and they come up with custom designs for each model, Steve Sutton said. Plus, finding what you need can be difficult as one battery can have several

SUTTON BATTERY COMPANY INC.

Business: Franchisee of Batteries Plus, a retail and wholesale distributor of batteries and light bulbs.

Locations: Five stores – Clintonville, Hilliard, Reynoldsburg, Gahanna and Lewis Center.

President: Christina Sutton

Vice president: Steve Sutton

Employees: 50

2010 revenue: Would not disclose. Has averaged a 14.6 percent annual growth rate over the past three years.

BATTERIES PLUS LLC

Based: Hartland, Wisc.

Locations: More than 460 in 46 states and Puerto Rico. Of those, 430 are franchises.

CEO: Russ Reynolds

Owner: Atlanta-based Roark Capital Group

2010 sales: More than \$325 million

different names and part numbers.

"Our target market is middle-aged couples with kids who have toys – boats, RVs, campers – and like to go do things. They like to film things on their camcorder, they're active, and add to that the fact that the normal household has 25 battery devices in it, from remotes to security system backups," he said.

Those also are the customers who bring in mom's cellphone that she doesn't want to replace because she finally knows how to use it, he said.

Batteries Plus also draws people by accepting batteries for recycling, though

Sutton said that is not a profit center.

But fully half of the Suttons' business is supplying other area companies with batteries for scores of applications such as backup and security systems, emergency lighting and mobile testing devices.

"We get great joy out of selling (American Electric Power) batteries," he said.

REPLACE VS. BUY NEW

Like a few other trades, the recession actually strengthened the business.

"We are talking to people who tend to hang on to their laptop another year or two longer than they normally would, and it will take a battery to do that. So the recession has been good for us. We've enjoyed double-digit growth," Sutton said.

Batteries Plus started offering light bulbs in March, a line that Sutton called a natural fit. The stores added 800 light bulbs to their stocked product lines, from tiny LEDs to halide parking-lot lamp bulbs.

"It's a duplicate of the requirements that the battery market has – you buy it, use it up, you need to replace it," he said.

Commercial light bulb sales make up about one-third of sales, but Sutton expects that to change soon to match the half retail, half commercial battery side.

Chris Sutton said the biggest challenge is finding qualified salespeople who can master a volume of knowledge about how to find the right battery for the right application, and then explain the customer's needs without overloading them with technical data.

"It takes a good six months for someone to hold their own on the floor without assistance," she said.

CINDY BENT FINDLAY is a freelance writer.