

**Trending Now:**

# Sign Franchises Step Up Their Status

**Three big trends in sign franchises point to a bright future for this industry.**

*By Mark Kissling*

“So and so is trending on Twitter,” you’ll often read. These trends last minutes, hours, sometimes days – but rarely longer. And while Twitter trends can be considered somewhat representative of our society’s interest, care or outrage about someone or something, they are by definition fleeting, more a snapshot than an entire scene or a complete feature film. Sign franchises have been around for three decades, light years longer than the trends measured by Twitter. And yet, within the sign industry, franchise sign companies *are* trending, and their current status bodes well.

## **Trend No. 1: Steady growth**

Chief among sign franchise trends is their solid US and international growth in the industry. “We are on track for outstanding growth in the US and ... internationally, both in average unit volume and in number of locations,” said Catherine Monson, CEO of FastSigns in Carrollton, TX, which signed 52 franchise agreements in North America in 2015.

One of the principle drivers of growth is conversion of existing sign companies or co-branding with a franchise. “We definitely still see more first-time operators joining the Signarama brand,” said Jim “JT” Tatem, president of Signarama in West Palm Beach, FL. However, he has seen a large increase in conversions over the last

year or two. This probably has much to do with the easy and natural fit that sign product offerings make for related or allied industries. One such conversion is Flyway Signs (Waupun, WI). Dee Burkhardt, owner of the 30-year-old sign business may not be someone you would think of as an obvious candidate for a franchise conversion, given her lengthy experience in the industry. Flyway Signs made the conversion, in part because Burkhardt was impressed by the software and support the franchise offered.

Ray Palmer, president of Signs Now (Plymouth, MI), Signs By Tomorrow (Columbia, MD) and Image360 (Columbia, MD), all under Alliance Franchise Brands (Plymouth, MI), said he is seeing current companies in the printing- and graphics-related industries that are interested in co-branding to expand their market presence and offerings. “Our industry is attractive to people investigating business ownership due to the B2B approach, low staff requirements (compared to food service, etc.) and business-hours approach,” he said.

An ever-broadening range of products and services offered by sign franchise companies is likely the major reason for the growth and conversions. For example, Signarama boasts a research and development department and is always looking for innovations

within its core strengths that might add value for its customers. Newer equipment such as laser engravers and 3D printers also add appeal. FastSigns (Blue Ash, OH) owner Mike Langdon said that, depending on who you are, vehicle wraps are good to offer, though he cautioned they can be time consuming if you don’t have the right training. Monson said FastSigns’ market research and knowledge have revealed that organizations and businesses want a full-service solution. “They want to be able to go to one comprehensive visual graphics supplier,” she said. The move toward full-services solutions has also led Alliance Franchise Brands to “open the market to viewing Image360 as a solutions provider versus a limited-offering company that only provides signage and quick-turn products,” Palmer said. Image360.com shows 16 unique signage products and 28 different services on offer to 23 suggested industries.

## **Trend No. 2: Extensive training**

To prepare their franchisees to offer a broader menu of products and services, all of the franchise headquarters train their owner-operators both prior to opening their doors for business as well as ongoing as needed. Signs Now takes three months to educate new franchisees. “Thoroughly training our new franchise members on the intricacies of our



**Catherine Monson**  
CEO, FastSigns



**Jim Tatum**  
President, Signarama



**Ray Palmer**  
President, Signs Now

business is paramount to our preparation process," Palmer said. FastSigns offers an online "university" that has more than 500 courses on all aspects of the visual communications industry and business in general. Courses in understanding substrates, selling and operating systems rank among the highest in demand for new franchisees. More specific and advanced courses in profitability, delegating and developing an empowered staff, enhancing leadership skills, and creating a strong, sales-oriented culture are most preferred by experienced companies converting or co-branding with the franchise.

New franchisees also work with an existing, experienced FastSigns franchisee in a mentoring relationship. In addition, events and meetings play an important part in the training. "Each one of our expo events and regional meetings focuses on opportunities to learn and advance," Tatum said of Signarama. "We have webinars and an online training portal for rolling out new programs."

### **Trend No. 3: Keeping the 'small' in business**

Franchisees counter the less flattering trend of sign franchises being thought responsible for putting family-owned sign shops out of business. "We don't put mom and pops out of business – we

are small businesses ourselves," Signarama's Tatum said. "Our individual franchisees are in business for themselves ... they just aren't *by* themselves. They have the same opportunities as any small business owner, but with the support and the blueprint for success that a franchise can provide."

Connection to the larger network has distinct advantages for these small businesses. For example, Flyaway Signs' Burkhardt said more and more of her customers are swapping out old and outdated changeable copy signs with new electronic message centers, thanks to their ability to run multiple messages and images. But with FastSigns' extensive training and supply chain assistance, franchisees are successfully implementing this product/service offering, Monson explained.

This isn't to say that market entry by franchisees even larger than these can't be considered a challenge. "We also see an increase in competition coming into our space from other industries," Palmer said, alluding perhaps to FedEx Office – which makes signs, banners and posters – as well as other companies. "Competition for basic signage continues as more and more print-based companies are adding some wide-format technology. This competition, especially in basic retail signage (banners, event signage, etc.), has created an

environment that encourages evolution to a sales-focused approach. Five years ago, the market still supported a retail mentality."

Even so, all three franchises are bullish on the future. "One of the great things about the sign industry is that it's not going away," Tatum said. "Our franchisees offer customized, personalized service with products that can't be provided from someone who is just trying to be a 'jack of all trades' and sell signs. If a customer wants electrical signs, LED, vehicle graphics ... those aren't things you are going to just anyone for." Palmer also sees the rapid growth of technology playing a greater role in the lives of their franchisees.

"This technology increase spans from production, business information and marketing," he said. "And we expect this will continue." Monson described how other digital sign suppliers are coming to them to utilize their competitive advantage. "For example, FastSigns became a Google for Work Partner earlier this year and began offering their Chrome-powered digital sign solutions (at participating locations) as one of the first brick-and-mortar businesses to do so," she said.

So, while we may not see sign franchises trending on Twitter, we are likely to continue to see them as the subject of more Internet searches as they trend upward within the sign industry. ■