

It pays to be handy: Fix-it company builds its franchise numbers

By [Sherri Welch](#)
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After growing slowly its first 18 years, **HandyPro International LLC** has more than doubled its U.S. franchisees to 30 over the past year and a half, and it's not done growing yet.

The Plymouth-based company expects to add at least another 10 franchisees this year and 25-30 each of the next five years to capitalize on rising demand for home renovations that enable the elderly and disabled to remain in their homes.

Franchise brokers have been referring a lot of people who are interested in opening a **HandyPro Senior Modifications & Handyman Services** franchise to HandyPro International CEO Keith Paul.

The demand has been so great that HandyPro, which employs seven at its corporate office and expects to add a few new franchise developments and support employees this year, stopped advertising franchise opportunities outside of brokers, Paul said.

"Our concern was we were growing too fast; we had to slow down to make sure we're doing it right," he said.

Paul expects HandyPro International to see \$1.2 million in revenue this year, up from \$962,000 last year. And he projects **HandyPro Handyman Service Inc.** franchises, which do business as HandyPro Senior Modifications & Handyman Services, to generate collective revenue of \$5.1 million this year, up from \$3.9 million in 2012.

Initial franchise fees are \$9,500 plus a territory fee of \$39,500 for the first franchise and a marketing startup fee of \$1,500.

Additional costs include an \$18,000 development fee for the second franchise and \$10,000 development fee for each additional franchise, according to HandyPro's franchise circular.

Total startup costs for a single HandyPro franchise range from \$68,530 to \$107,333, including a total franchisor fee of \$50,500.

Franchisees must pay the greater of 6 percent of gross sales or \$350 per month to HandyPro International. And after 12 months of operation, they must contribute 1 percent of their gross sales to

the company's national advertising fund.

Paul and his wife were no strangers to business when they launched HandyPro.

After selling their Garden City pizzeria **Pizza Junction** in 1993, Keith and Debra Paul saw a new business opportunity after her grandmother lost \$2,000 to a kitchen remodeler who took the money but never did the work.

They set up a referral system to connect seniors with reputable contractors after doing background checks on electricians, plumbers, remodelers and handymen, said Paul, 45. And they expanded into referrals for two-income families that needed a handyman before beginning to hire their own handymen and providing the services themselves. By 2000, the company had 10 handymen, Paul said.

About five years ago, the company, operating as HandyPro Handyman Service, began getting a lot more calls from seniors or their family members seeking help to install wheelchair ramps outside homes and lifts inside, as well as grab bars, walk-in tubs and specialized plumbing and door fixtures to enable people with arthritis to turn on a faucet or open a door with their wrist, among other retrofits.

The jobs range in cost from about \$96 to install a grab bar to \$50,000 for a complete home modification, Paul said.

Seeing a niche market opportunity, HandyPro returned to its roots in 2008, refocusing its marketing efforts and services to the elderly and disabled, Paul said.

Demand is rising as baby boomers age, he said.

AARP projects that between 2011 and 2029, baby boomers will turn 65 at a rate of about 8,000 per day.

"You look at the demographics on the aging baby boomers and the impact they are having on many businesses, and HandyPro is positioned very well with that," said Jania Bailey, president and COO of Louisville, Ky.-based **FranNet**.

A 2013 report from the Joint Center for Housing Studies of **Harvard University** said spending on home improvements and repairs in the U.S. residential repair market reached \$275 billion in 2011, down 16 percent from its market peak in 2007.

The market is growing now, Bailey said, as more people are staying in their homes.

HandyPro will have no trouble finding enough franchisees to meet its projected growth of 25-30 new franchises each year over the next several years, Bailey said.

Frank Foti, business management adviser at **Mr. Handyman International LLC**, a division of Ann Arbor-based **Service Brands International**, agrees, saying the market potential for handyman services to the elderly, in particular, is "tremendous."

Mr. Handyman has 123 franchises in 29 states, producing collective revenue of about \$50 million each year, he said.

"When I talk to owners, I always advise them to pursue this niche," Foti said.

As more independent handyman franchises see increased revenue from marketing to seniors, "expect other owners to also adopt it as a niche," he said.

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