

# Franchise Times®

The News and Information Source for Franchising · May 11, 2010

On The Cover..

SHARE

## Track Record

### These 55 young franchises are really going places—fast

By Jonathan Maze

As published in: [Franchise Times - April 2010](#)

*Franchise Times magazine and FRANdata have been working together to publish the Fast 55 ranking of the fastest growing franchises for seven years now. And during that time, we've been able to make a few brilliant observations, such as this one:*

*Health care is important.*

We've figured this out because the health and fitness sector has consistently placed the most companies on the Fast 55—doing so five of the seven years the list has been published.

That includes this year, when the list has a record 11 brands, and the two fastest growing franchises: Healthsource Chiropractic, No. 1 for the second straight year, and Any Lab Test Now.

To be sure, the industry is broad, with everything from at-home senior care providers to aerobic boxing franchises. And these categories tend to avoid recessionary troubles because people are always concerned about their health. They're also concerned about their weight—so fitness clubs are routinely on the list, and the sector has its share of innovative entrepreneurs. This year, two fitness clubs, Snap Fitness (No. 30) and LA Boxing (No. 41) are ranked.

Massages seem to be popular among the franchise buying public, too, and thus the 25-year-old company Elements Therapeutic Massage (No. 7) and Massage Heights (No. 11) are ranked high.

But the biggest reason, by far, is the surge of franchising into the home-care industry amid a booming population of seniors and a growing realization that they would prefer their golden years be spent at home. Five home-care chains are on the ranking, including Senior Helpers (No. 18), Accessible Home Health Care (No. 32), Seniors Helping Seniors (No. 36), Home Care Assistance (No. 39) and Synergy HomeCare (No. 42).

There may be another reason why health and fitness franchises seemed to perform so well in terms of growth this year: the economy. In simple terms, the industry is recession resistant and others are not, so health and fitness companies have been better able to maintain growth.

The 2010 Fast 55 looked at companies' annual unit growth between 2004 and 2008. The recession effectively began in December 2007. Credit markets had slowed by then, before grinding to a halt in the second half of 2008. Both had a big impact on franchising—franchisees couldn't get the credit they needed to open new franchises and many avoided investing because of economic concerns.

The list shows this new slower growth reality. In 2009, the top 10 franchises grew an average of 1,300 percent. This year,



[Download the 2010 Franchise Times Fast 55 PDF by clicking here](#)

the top 10 averaged about 900-percent growth. A better indication may be at the bottom of the ranking. In 2009, the franchise at No. 55 on the ranking was a men’s hair and grooming salon franchise called Too Hotties, which averaged 283 percent unit growth. This year, that level of growth would have been good for the 22nd spot on the ranking. This year, the chain ranked at No. 55 averaged a relatively modest 104 percent growth.

The Fast 55 only compares companies that have been franchising for five or fewer years, and the franchises must show consistently positive unit growth during the period. Collectively, the 55 brands end of 2008, up from their 4,296 collective units in 2007. From 2004 to 2008, the brands averaged 351-percent growth.

The rankings, a reflection of where franchising is a more popular business model, have shifted only gradually over the years, with fewer automotive and construction companies and more beauty and decorating chains. And the growth among the top chains seems to have been tempered—in 2004, the first year of the ranking, Super Wash was the fastest growing franchise with an unbelievable 25,000-percent growth rate—much of this was due to the chain doing conversions from their license agreements to franchises. This year’s No. 1, a chiropractic franchise called HealthSource, at 1,440.57 percent, would not have been in 2004’s top 10.

Only 13 companies on this year’s list were on last year’s ranking, and only 13 companies on that ranking were listed in 2008. Five companies have made the ranking each of the past three years, including North Carolina-based 1-800 Pack Rat (No. 12), the cosmetic chain Facelogic (No. 14), Senior Helpers (No. 18), Door to Door Drycleaning (No. 28) and Billboard Connection (No. 55).

The year-to-year turnover among companies on the ranking can also be seen in the industries’ broader performances—last year, there were eight general services franchises on the list. This year there are three, including Goin’ Postal (No. 52), Door to Door Drycleaning and 1-800 Pack Rat. Last year there was only one beauty chain, this year there are four. And retail stores, once well represented on the Fast 55, didn’t have any companies this year. There were seven retail food franchises on the ranking two years ago, this year there is only one: Chelsea, Michigan-based Bearclaw Coffee Co. (No. 54).

But remember, some of that attrition is due to a company’s age—once it turns 5, it no longer qualifies.

Restaurants remain well represented on the Fast 55—only nine of the franchises were food related, due likely to the saturated food market. Those that did make the list demonstrated the demand for healthy or unique items.

Five limited-service chains made the ranking, including NRgize Lifestyle Café, the No. 8 brand, the Japanese QSR SanSai (No. 37), the rib chain Shane’s Rib Shack (No. 38), Salad Creations (No. 45) and the sandwich chain Which Wich? (No. 50).

The ranking also includes a pair of sit-down restaurants, which until a couple of years ago were nowhere to be seen on the 55. The ranking includes Hurricane Grill & Wings (No. 21) and fast-casual restaurant Cosi (No. 51). Paciugo, the 42-unit gelato chain, is No. 40—rounding out the restaurants on the ranking. Restaurants are not likely to leave the Fast 55 anytime soon, given the sheer dominance of the industry. There is always room for new concepts, and people do have to eat, after all.

| Industry....                           | # of Franchises |
|--|-----------------|
| Health & Fitness.....                  | 11              |
| Maintenance Services .....             | 6               |
| Fast Food Restaurants .....            | 5               |
| Business-Related .....                 | 5               |
| Decorating<br>& Home Design.....       | 4               |
| Child-Related.....                     | 4               |
| Beauty-Related .....                   | 4               |
| Services-General .....                 | 3               |
| Restaurants (Sit-Down) .....           | 2               |
| Pet-Related<br>Products/Services.....  | 2               |
| Computer Products<br>and Services..... | 2               |
| Clothing & Accessories.....            | 2               |
| Sports & Recreation .....              | 1               |
| Retail Food .....                      | 1               |
| Personnel Services .....               | 1               |
| Party-Related<br>Goods/Services.....   | 1               |
| Frozen Desserts .....                  | 1               |
| Grand Total .....                      | 55              |

**CONSIDER H&R BLOCK.**

LEARN ABOUT OUR FRANCHISE OPPORTUNITIES NOW ▶



**H&R BLOCK®**

[Home](#) | [Archives](#) | [Conferences](#) | [Resources](#) | [Advertise](#) | [Contact Us](#) | [Search](#)

Copyright © 2003-2010 Franchise Times Corporation · All rights reserved · 1-800-528-3296 · [info@franchisetimes.com](mailto:info@franchisetimes.com)