

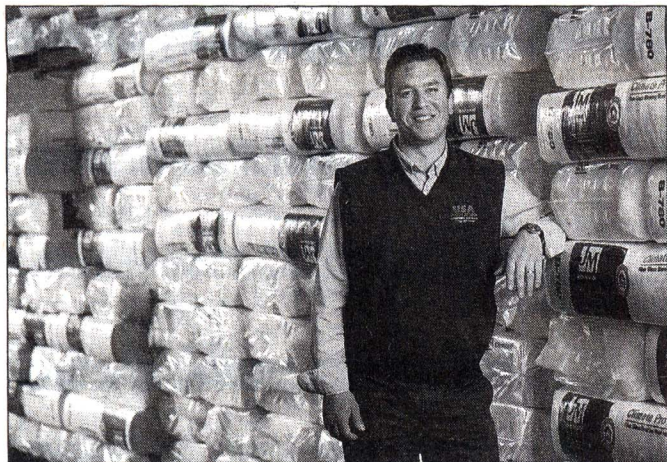
SUNDAY PLAIN DEALER

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MY BIGGEST MISTAKE

By Patrick Pitrone, as told to
Plain Dealer reporter Marcia Pledger



LONNIE TIMMONS III | THE PLAIN DEALER

Patrick Pitrone, president of USA Insulation Franchise Corp. in Eastlake, learned the hard way that details are what matter most in developing a franchise operation.

Importance of details overlooked in developing franchise operation

The Company: Eastlake-based USA Insulation, founded in 1985 by Jeff Pitrone, says insulation can save money for homeowners. In 2006, his son, Patrick Pitrone, launched USA Insulation Franchise Corp. with franchise offerings in 45 states. So far the company has 15 locations.

The Mistake: With a proven business model after more than 20 years, I thought that turning USA Insulation into a franchise would be easy with help from franchising consultants.

Not only was I wrong, I ended up spending a lot of money and time developing operations manuals that had to be totally redone. It took nearly a year to sell our first franchise, but it didn't take long to figure out that we didn't include enough details that mattered to franchisees.

I learned the hard way that it's not enough for franchise consultants to put together a franchise-offering program with protected territories, employee handbooks and a marketing plan to entice franchisees. Our support system was lacking.

We relied so heavily on consultants, that we didn't give ourselves enough credit by including insight gained from our years of experience. Nor did we spend enough time thinking about all of the questions that franchisees would be asking.

Franchisees wanted more details about how to market to customers. Not one of them was in the field previously, so they had

numerous questions. How do you go about estimating a job and diagnosing a house? How do you take off certain types of siding? How do you find an open wall cavity to install insulation in walls?

We knew insulation well, we just didn't know how to carbon-copy it into a system initially, and our credibility was at stake.

The Fix: We created new materials, doubled the size of our original manual, with a lot more practical components.

We added an installation manual, a sales script to accompany a video sales presentation and a new computerized financial reporting system. We also put a lot more focus on training, both at corporate headquarters and in their cities. In a service business, you have to build a franchisee's confidence by educating them not just on the product, but on details that can build sales. Tax credits for customers are a good example in our industry.

And it's paying off. We expect to open six more franchises by the end of the year.

If you're considering starting a franchise, use a consultant to help you with the structure of your new business. But also seek feedback from colleagues and novices alike to flesh out details you know from running your business, but might not be sharing.

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