

# Entrepreneur<sup>®</sup>

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# FRANCHISE 500<sup>®</sup>



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**RANKED #1**  
Restoration Services Category

**RANKED #9**  
In The Franchise 500

## Understanding the ranking

**B**efore you dive into *Entrepreneur's* 31st Annual Franchise 500®, a few words about how we compile this megalist—the world's first, best and most comprehensive franchise ranking.

The process began six months ago, when we asked franchisors to participate in this year's survey. Each submission was vetted before being entered for data analysis, with 738 companies making the first cut. Of those, the top 500 companies made the Franchise 500® ranking, based on financial and statistical data from July 2008 through July 2009.

Only franchise companies that supplied full Franchise Disclosure Documents, or FDDs, or Canadian Disclosure Documents and whose information is verified by *Entrepreneur* can receive a listing in this issue. To be eligible for the Franchise 500® ranking, a franchise company must have a minimum of 10 units with at least one based in the U.S. It must be seeking new franchisees in the U.S., and it cannot be in Chapter 11 at the time the ranking is compiled. (The exception is Canada-based companies that are expanding only in Canada.)

All companies, regardless of size, are judged by the same criteria: objective, quantifiable measures of a franchise operation. The most important factors include financial strength and stability, growth rate and size of the system. We also consider the number of years a company has been in business and the length of time it's been franchising, startup costs, litigation, percentage of terminations, and whether the company provides financing. Financial data are analyzed by an independent CPA. We do not measure subjective elements such as franchisee satisfaction or management style, because these are judgments only you can make based on your own needs and experiences. The objective factors are plugged into our exclusive Franchise 500® formula, with each eligible company receiving a cumulative score. The 500 franchises with the highest cumulative scores become the Franchise 500®.

Franchise companies are listed according to their industry categories. Ranked companies are shown under the headings with their rank listed to the left of their names. As an additional research tool, we also list franchise companies that are not ranked in the Franchise 500®. These companies are listed in alphabetical order under the "Not Ranked" heading within each category.

Remember that the Franchise 500® is not intended to endorse, advertise or recommend any particular franchise. It is solely a research tool you can use to compare franchise operations. *Entrepreneur* stresses that you should always conduct your own independent investigation before investing money in a franchise. Read the FDD and related materials carefully, get help from an attorney and a CPA in reviewing any legal or financial documents, and talk to as many existing and former franchisees as possible and visit their outlets. The best way to protect yourself is to do your homework.

To help you navigate the Franchise 500®, we've divided the ranking into categories based on the type of business or service; you can find individual companies listed on the Index on Page 200. The full ranking in numerical order is available online at [entrepreneur.com/franchise500](http://entrepreneur.com/franchise500).

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## Key to the categories

- **Year began/Franchising since** This category shows how long a company has been in business and how long it has been franchising. Both are good to know when you're trying to decide whether you should go with an established system or be one of the first franchisees.
- **Available U.S. regions and Seeking foreign?** Check out these columns if you want to know whether a franchise system is expanding in your area and whether a company requires its franchisees to buy master franchises or multiple units.
- **No. of franchises/Company-owned** Find out a franchise company's size and how quickly it's growing. The numbers of franchise and company-owned units for 2007, 2008 and 2009 are listed.
- **Startup costs/Franchise fee** Look here for the total startup costs (excluding any financial costs) needed to open a franchise. This figure is affected by real estate and construction costs (if applicable), inventory, location, type of business and many other variables. Startup costs include the initial franchise fee; however, for easy reference, the franchise fee is listed separately in parentheses.
- **Royalty** You want to know if you need to pay a continuing royalty fee, which most franchise companies require. Specific fees are in this column, typically expressed as a percentage of monthly gross sales.
- **Financing offered?** More than three-quarters of the franchisors in our listing offer either in-house or third-party financing of their costs to qualified franchisees.
- **Homebased opportunity?** Which franchise companies offer you the flexibility of running your business from home.
- **Kiosk/Express unit available?** Some franchise companies offer kiosk opportunities, while others offer smaller express units that typically cost less than a full-size unit.