



## 2025 - Two Minute Drill!

**Own a Painting Business without ever picking up a paintbrush! CertaPro Painter business ownership is about leading a team!**

### Business Basics

|                               |               |                                      |                                                                  |
|-------------------------------|---------------|--------------------------------------|------------------------------------------------------------------|
| Industry                      | Home Services | Year started franchising             | 1992                                                             |
| Year business started         | 1991          | Franchise units open                 | 500+                                                             |
| Number of Company units open  | 1             | Investment Range \$                  | (Subs) \$171,000 - \$246,000<br>(Employee) \$203,250 - \$302,500 |
| Franchise fee \$              | \$65,000      | Required liquid capital \$           | \$85,000                                                         |
| Required net worth \$         | \$250,000     | Royalty                              | 6-5-4% Based on Gross Sales                                      |
| Industry size \$              | \$60+ Billion | Available in Canada/ Internationally | Y/N                                                              |
| SBA Registry?                 | Yes           | VetFran/Minority Fran                | <i>VetFran – 20% off initial Franchise Fee = \$52,000</i>        |
| Offer Group Health Insurance? | No            | State Registrations                  | ALL STATES                                                       |
| In House Financing?           | No            | Buyer Motives                        | See Below                                                        |



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# **Business Features**

## **SUMMARY:**

Incorporated in the United States in 1991 in the category of residential and commercial property painting, CertaPro has become the largest nationwide painting company with over 500+ franchised units in the US and Canada. The company's market potential is built upon the aging of the housing stock of North America and the need to paint it every three to seven years. CertaPro is a subsidiary of First Service Brands, which also owns other home/commercial service brands such as California Closets, Paul Davis Restoration, Pillar to Post, and Floor Coverings International.

The overall customer experience is our competitive advantage over other players in the space. We have strong systems and procedures in place to make sure the customer only tells their story once, and that communication is ongoing with the Job Site Supervisor providing daily updates to the customer.

## **Why Painting?**

- \$60+ Billion industry that is extremely fragmented.
- Low overhead (no inventory, no store front, and low employee with sub-contractor model)
- Revenue from both B2B and B2C clientele (Resident, Commercial, Interior, and Exterior).
- Scalable by adding salespeople and other staff.
- Marketplace is underserved by contractors that deliver less than professional experience to consumers.

## **Why CertaPro?**

- Growth in our commercial business. In 2023, 42% of franchisee revenues came from commercial business. You won't find this with competitors, and this is important for your clients as it allows them to grow quickly and build a large business.
- Average EBITDA over **\$591K** in 2024; **17.2%** (see Item 19 of FDD).
- Network TV and Radio advertising – our brand has hit the “tipping point.”
- Resales – opportunities in our model to purchase businesses with existing cash flow. In 2023, CertaPro completed 23 resale transactions. For your clients, this speaks to asset value and wealth creation as they look towards an exit point in the future – our resale validation is strong.
- National Accounts are an additional way CertaPro supports its franchisees. Our National Accounts team negotiates contracts with major accounts to do their commercial painting, and this work is typically performed by our franchisees. We've done work for Best Buy, Crate and Barrel, Macys, Men's Warehouse, Nike, Gap----among many others.

## **What's the profile of a CertaPro franchisee?**

- **Our franchise owners do not paint.** Most of our owners come from strong corporate backgrounds and are used to a six-figure income. Assertive communicators that don't want to be in a store front business or behind a counter will like what they hear in validation with our owners. Backgrounds in Sales, Marketing, or Management are helpful.

## **What about labor?**

- A “hot button” with prospects looking at our model, they should understand that most of our franchisees are choosing to work with subcontractors to do the painting rather than using hourly employees. It reduces management time, lowers overhead costs dramatically, and protects profit margin. Initially, the franchisee will typically handle the sales/estimating in the business along with networking and building relationships, and then hire salespeople to do this as the business grows. In addition, a franchisee will typically hire a person to handle the administrative duties in the business within the 3-6 months of operation.

## **Item 19**

- Average CertaPro gross revenue: \$2,135,130 per franchisee.

## **Territory**

- Since our target market is high-end residential and commercial, our territories are based on the amount of single-family households that hit certain income and wealth criteria. The territories have already been created through demographic research, and they are zip-code based---meaning it's completely protected and franchisees are not competing for residential customers.
- With regards to commercial painting, boundaries are expanded, as our franchisees need to be able to follow their commercial property relationships. National account (Wal-Mart, Gap, Walgreen's, Chick-fil-a, Family Dollar, etc.) work IS distributed based on territory via CertaPro's Strategic Account Management (SAM) Program.

### **Available markets**

- There is a common misconception that CertaPro is sold out due to our size. We have nearly **120 new territories** available that we are looking to develop, so be sure to always send a territory check if you have a client you think would be a good fit.
- Resales are also a growing part of our business. As owners in our system hit their exit point, they are looking to sale their business and enjoy the benefits of retirement.

## **Recession Resistant**

- The mix of commercial and residential business allows our franchise owner to build two different revenue streams. This not only enables the business owners to scale quickly, but also provides a buffer when the economy is sluggish. Additionally, since there is little overhead in the business (no store fronts, no inventory, few employees), our zees are able to control their expenses and be "nimble" as to assure their bottom-line is healthy.

## **Issues and Ambushes**

- **Competition:** "But there's hundreds of painters in this market---why would people use CertaPro?" This is a common thought amongst candidates before they learn about the model. In fact---there are a lot of painters in every market, which shows there's a lot of painting getting done. CertaPro hasn't revolutionized painting, and the paint job itself is not a differentiator in the marketplace. The systems we have in place for a great customer service and follow-up are what drive the brand, and other contractors simply don't deliver a good customer experience. A candidate will see the differences in sales and marketing once they engage in the due diligence process----very different than the rest of the painting world.

Other franchises have started in recent years and are trying to duplicate the CertaPro model. Main differences are experience in the industry (over 30 years), and the support to scale quickly. We also have national TV and SiriusXM advertising that's allowing us to build the brand to become a household name.

## **Hooks and Hangers**

- **Hooks**
  - Little overhead - our business requires no store fronts or inventory
  - Few employees (subcontractor model)
  - Potential to scale a business quickly through both B2B and B2C (no boundary restrictions for commercial)
  - National partnerships with Sherwin Williams and Benjamin Moore
  - Sellable (Resales of successful businesses in our system are carrying a large dollar amount)
  - No Cold Calling
  - Dull/Normal – not rocket science and not going away
  - Largest in the paint services category with over 500 markets currently being served in US and Canada
  - Competition tends to be local, unorganized, and lacking systems
  - **Item #19 attached end of this document**
- **Hangers**
  - See above under "issue and ambushes" for the difference versus local competition

## **Sales Process**

- Intro Call / Q&A Call
  - Get to Know CertaPro Painters
  - FDD Review of FAQs
- Personality Assessment and Application
  - Candidate takes online, and it addresses "fit" as it compares their personality versus those of our top performers.
- Validation
- Executive Interview for approval
- Meet the Team Day
  - Meet the Team Days
  - Spend time with the executive team and get a feel for the culture of CertaPro
  - Not a closing event
- Decision
  - Shortly after Meet the Team Day