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The Brothers That Just Do Gutters

Contact Information - Who Gets Lead Referrals

Date Last Updated: August 09, 2023
Referral Agreement Date: April 16, 2021
Name: Candice Weeter
Address: 55 Page Park Drive, Poughkeepsie, NY 12603
Phone: 1(402)395-0666 Ext:120
Fax: N/A
Main Email: cweeter@franchisefastlane.com
Email to send leads to: brothersguttersleads@franchisefastlane.com
Territory check email: brothersguttersleads@franchisefastlane.com
Website: www.brothersfranchise.com
FranNet Referral Fee:

- Single Unit/Territory: Twenty-Nine Thousand Dollars [\$29,000.00] for each single unit/territory franchise sold to a registered prospect.
- 2 Pack: Thirty-Seven Thousand Dollars [\$37,000.00] for a two (2) Pack unit/territory franchise sold to a registered prospect.
- 3 Pack: Forty-Seven Thousand Dollars [\$47,000.00] for a three (3) Pack unit/territory franchise sold to a registered prospect.
- 4+ Pack: Forty Percent [40%] of the total franchise fees for Four or more units' territories sold to a registered prospect.

Resales shall be based on what the transaction would have generated to the Franchisor had the Prospect purchased the franchise directly from the Franchisor. Consequently the transaction will be treated as if a new franchise was sold by the Franchisor to the Prospect.

Business Basics

Industry	Home Services – Gutter Installation & Cleaning	Year started franchising	2015
Year business started	1999	Franchise units open	300+
Number of Company units open	3	Investment Range \$	\$124,250.00 - \$171,500.00

Franchise fee \$	1 Unit: \$49,500 2 Units: \$89,500 3 Units: \$119,500 4 Units: \$149,000 5 Units: \$178,000	Required liquid capital \$	\$100,000
Required net worth \$	\$250,000	Royalty	6%
Industry size \$	\$6 Billion	Available in Canada/ Internationally	No/No
SBA Registry?	Yes	Discount Program Offers	Veteran Fran
Offer Group Health Insurance?	No	Buyer Motives	A/S
In House Financing?	No	Item 19	Yes
Semi Absentee/Absentee	Yes	Semi Absentee/Absentee Ramp-up Timeframe	1-3 months

State Registrations

Registration States

Currently not approved and not available in:
HI, IL, WA

Non-Registration States

Currently not available in:
UT

US Territories

Currently not available in:
GU, PR

Canadian Provinces

Currently not available in:
NB, NL, AB, NT, NS, PE, QC, SK, ON, YK, MB, BC, NU

Sold out: Sold Out: Birmingham, AL Huntsville, AL Fort Collins, CO New Haven, CT Hartford, CT Pompano Beach, FL Boca Raton, FL Fort Myers, FL Cape Coral, FL West Palm Beach, FL Orlando, FL Hollywood, FL Fort Lauderdale, FL Lakeland, FL Augusta, GA Columbus, GA Savannah, GA Marietta, GA Athens, GA Peoria, IL Indianapolis, IN Evansville, IN Kansas City, KS Overland Park, KS Detroit, MI Grand Rapids, MI Ann Arbor, MI Minneapolis, MN St. Paul, MN St. Louis, MO Nebraska Trenton, NJ Greensboro, NC Raleigh, NC Durham, NC Charlotte, NC Columbus, OH Dayton, OH Akron, OH Oklahoma Allentown, PA Philadelphia, PA Rhode

Island Charleston, SC Columbia, SC Nashville, TN Knoxville, TN Chattanooga, TN Fort Worth, TX Irving, TX Dallas, TX Garland, TX Plano, TX San Antonio, TX Austin, TX Beaumont, TX Provo, UT Salt Lake City, UT Norfolk, VA Richmond, VA Arlington, VA Alexandria, VA Spokane, WA Vancouver, WA Wisconsin

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Business Features

The Brothers That Just Do Gutters franchised their business model in 2015 after running a successful gutter company since 1999. The Brothers, Ken & Ryan Parsons, recognized a gaping hole in the gutter industry which their model filled perfectly. Gutters are a repeat need, not a want; and Brothers Gutters reinvents contractor service by providing their clients with 5-star service in what is typically a 1-star industry. This first-to-market, home-based gutter installation & cleaning franchise offers multiple recurring revenue streams, an in-house call center driving 80-90% lead conversion, and robust support and technology systems all focused on making Franchisees successful. The numbers speak for themselves: this 23-page Item 19 includes a full earnings report for each franchise location, a pandemic report showing an average 80% YOY growth during Covid, and Franchisees averaging over \$1.7M in gross sales bringing an avg. of \$517K to the bottom line! The Brothers Gutters model was designed for semi-absentee ownership, with the average Franchisee breaking even after their 3rd month, and validation is strong. This brand is poised and ready for explosive growth in the FastLane!

Recession Resistant

A Booming COVID-Strong Industry: Gutter Services remained essential and grew during the pandemic. More people working from home, noticing and keeping up with their homes and repairs have added considerable growth to our franchisees. Having a functioning gutter system reduces water damage, causing mold, which can cause health issues to residents.

The Brothers Gutters franchise saw an average of 80% YOY system-wide growth from 2019 to 2020 during Covid! Three locations achieved \$1M, \$2M, and \$800K in the first full calendar year during the pandemic!

Issues and Ambushes

Climate: More northern territories should launch prior to July to allow some runway and capitalize on the busy Fall season. A late launch in the northern territories can cause a cash-flow crunch in the winter. Southern territories can typically launch into October.

Finding Experienced Tradesman? You don't have to find individuals with trade experience necessarily, but it does make launching easier. Finding the right first couple of hires is extremely important. We provide extensive training in this area, as well as extensive on-site training to help propel the learning curve.

Insurance Requirements: Need to carry workman's compensation in most states, as well a general liability. While many carriers will ensure gutters, roofing, and exterior trades, some may not. We have extensive safety training which lowers our rates as well as makes us more insurable.

Do I need a Contractor License? This varies from state to state as well as county to county. While many territories do not require any licensing, others do. Most territories simply have to register and pay a fee. However, some states like Virginia have extensive requirements and tests to gain a contractor license.

Failures

NONE

Hooks and Hangers

- The home services industry is growing like crazy.
- Gutters are a relatively low-cost home improvement that protects a home from water damage ranging from wood rot, mold, flooded basements, and more. Homeowners are busier than ever and don't want to do regular maintenance such as gutter cleanings on their homes. As a result, gutter cleanings and even more so gutter guards are an opportunity for every home.
- Gutter services have remained "essential" through the pandemic and remained a necessary home improvement throughout recessions.

Discovery Day Process

Initial Training

Extensive virtual and in-person training programs for both the franchise owner and their employees. New Franchisee in-person training is a 7-day event at HQ in New York. The agenda includes:

Day 1

- Training Overview
- Franchisee Introductions
- The Story of "The Brothers"
- Overview of the Brand Franchise
- Situational Leadership
- Marketing: Reputation Management/Review Tracker
- Marketing Set Up

Day 2

- Crew Departure Observation
- Sales Meeting Management
- All Installer Meeting Management
- Product Knowledge: Overview of Services
- Product Knowledge Applied: Installation
- Training Companion Review

Day 3

- Team Leader Meeting
- Sales Ride Along
- Field Ops Peer Group
- Safety Training
- Fall Protection
- Gutter Guard, One Guard, & Advanced Installation
- Training Companion Review
- SafeGuard After Hours

Day 4

- Field Meeting
- Competition & Pricing
- Competitive Analysis
- Out Clients, You & TBTJDG
- Service Titan Training

Day 5

- Field Training
- Job Costing
- Sales Cookbook
- Sales Tracker
- Sales Ride Along
- Recruiting & Training Employees
- Hiring, Interviewing, Onboarding
- Contact Center Training
- ServiceBridge Training
- Back Office Training

Day 6

- Skills Ladder Training
- Skills vs. Leadership
- Installation Materials
- Advanced Installation Application

Day 7

- Marketing Phases
- Your Marketing Budget
- Where Marketing & Sales Meet
- Vision / Values / SWOT
- Coach / Accountability

On-Going Support

Franchisees have multiple ongoing resources including but not limited to:

- Operations Manual: Details all operations
- Installation Trainings: Manuals, videos, LMS, and more
- Monthly Peer Groups: Separate peer group for Sales and Field Ops
- Owners Only #slack Feed: Awesome recourse for knowledge, encouragement, and lots of time fun
- Monthly Marketing Reports: Report based on deep analysis of results with tailored advice for future efforts
- Monthly 1-1: Review financials, forecasting, budget vs. actual goals, coaching & strategy
- Podcasts: Founders publish podcasts directly relating to the gutter industry often including their own franchisees as guests

Consultant Payment Terms

1 Unit: \$29,000 or 40% of total franchise fee paid

2 Units: \$37,000 or 40% of total franchise fee paid

3 Units: \$47,000 or 40% of total franchise fee paid

4+ Units: 40% of total franchise fee paid

VetFran/Minority Discounts

Yes - 10% off first territory franchise fee

E2 Visa/EB-5 Program Status

Yes

State Deferments

NONE

Candidate Sales Process

Franchise FastLane Discovery Process!

1. Intro Call
2. Unit Economics
3. FDD Review
4. Franchisee Validation & Leadership Calls
5. Territory Mapping

6. Confirmation Day Prep
7. Confirmation Day
8. Franchise Agreement Signing
9. Welcome Call

Owner Roles

What will be the role of the owner?

Owner-Operator - The owner does sales and manages the installers for the first 1-3 months. They order material, conduct meetings, network with other businesses, recruit and ensure their installers are following the training program. When going from 1-2 crews, owners hire a Solutionist (Sales rep) and focus on growing the team and the brand. Once a Solutionist is hired, the owner manages the day-to-day from the office.

What will be the role of the multi-unit operators?

Semi-Absentee Owner - A Semi-Absentee Owner will manage the General Manager (GM). Attend weekly or Bi-Weekly MGMT Team meetings. Attend monthly 1-1 calls with the franchisor. Attend yearly conference

What will be the role of the single unit operators?

The owner does sales and manages the installers for the first 1-3 months. They order material, conduct meetings, network with other businesses, recruit and ensure their installers are following the training program. When going from 1-2 crews, owners hire a Solutionist (Sales rep) and focus on growing the team and the brand. Once a Solutionist is hired, the owner manages the day-to-day from the office.

FranNet Comments/Validation Summary

Not Available