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## Men in Kilts' deal on Dragons' Den still has a hurdle to clear

[Mary Teresa Bitti](#) | December 1, 2016 11:21 AM ET

Dragons' Den: Men in Kilts Window Cleaning

**Each week, Financial Post contributor Mary Teresa Bitti revisits CBC's previous week's episode of Dragons' Den. She captures what the cameras didn't and in the process** provides a case study for readers, zeroing in on what pitchers and dragons were thinking and what the challenges for the deal are going forward.

The pitch Calgary-based husband-and-wife entrepreneurs Chris and Robyn Carrier started a window cleaning business 25 years ago called Window Works Inc. then hit a plateau. "It took us 20 years to grow to a \$3 million a year in revenue business," said Robyn. "We were at a point where we needed a way to stand out," Chris added.

That all changed when they came across a competitor, Men in Kilts, which was started by Nicholas Brand in 2002, who used his Scottish roots to distinguish the business. All Men in Kilts window cleaners wear kilts. "We loved the marketing and knew we had to be part of it," Chris said. "In the social media world we live in, Men in Kilts is something people love to talk about."



*Men in Kilts/Handout Robyn Carrier, left, and Chris Carrier, who bought out the original owner of Men in Kilts, headed to the Den looking for a deal with Jim Treliving. Now they're working on getting the deal closed.*

In 2009, Tressa Wood, former vice-president of operations at 1-800-Got-Junk, joined Men in Kilts as CEO and got busy pivoting it into a franchise business model. In 2012, Chris and Robyn converted Window Works into one of the first Men in Kilts franchises.

**The new branding propelled growth to revenue of \$6 million in 2016, from \$3 million in 2012. “We were having so much fun and great success, we purchased an equity stake,” Chris said.**

In April 2016, just before going on **Dragons’ Den**, the Carriers purchased the remaining shareholders’ shares (those of the founder), gaining full control of Men in Kilts Franchise Services through Window Works, their original company. At that time, there were 12 franchises.

The Carriers’ focus on supporting franchisees has advanced development of the system, which now has 23 locations. In addition to a strong brand and customer service monitoring, franchisees benefit from a centralized call centre, something the Carriers said also helps differentiate Men in Kilts.

“All calls go to our Surrey, B.C. location where sales agents schedule work right on to the franchisees’ schedules who log in from their mobile devices to check schedules, invoice and more. That level of support doesn’t exist in our industry.”

When they entered the Den, they had 10 franchises in Canada and nine in the U.S. and a plan to grow to 300 across North America. Its corporately owned location in Seattle will serve as a pilot for a future roll out across North America. Franchise fees range from \$40,000 to \$100,000.

**“Men in Kilts Franchise Services has the biggest opportunity for growth as we scale from 20-plus locations to 300, that’s what we went on the Den to pitch, Robyn said.**

The deal The Carriers asked for \$400,000 in exchange for a 15 per cent equity stake, valuing the business at \$2.7 million. Sales for the previous four years were \$24 million and they are on target to do \$10 million this year. The money was earmarked for expanding the team and marketing.

**“The systems and structure were in place to scale the business, but it’s like everyone says, ‘would you like to have 100 per cent of a small pie or 10 per cent of a large pie?’” Chris said. “We envision that Men in Kilts will be a household name across North America. To get from 23 locations to 300, we wanted to partner with a dragon who had already done that so we don’t make any major mistakes along the way.”**

The pair accepted an on-air deal from Jim Treliving — the dragon they wanted — in exchange for a 20 per cent stake. The deal has since been restructured and the two parties are still in negotiations over the structure of the business. The Carriers only want the investment to be in the franchise services company, which excludes the Carriers original franchise location.

*It’s a great concept, neat branding and lots of low-hanging fruit.*

Men in Kilts has since put a marketing team in place and are hoping to fill a role for a field operations manager to support franchisees. “In the next five to 10 years, we’re looking at 50 locations and \$50 million in annual revenue,” Chris said.

For the record, about 50 per cent of franchisees are women. “We were surprised no one in the den asked us about that,” Robyn added.

**A dragon’s point of view** “It’s a great company and the branding is unique. They have 60 trucks across the U.S. and Canada and it’s profitable,” Treliving said. “He is a good operator and he’s focused on the right things. I’m not sure why they’ve split up the company. We’re interested in investing, but we want to be part of both companies.”

**An expert's opinion** "The good news is there is lots of territory to manoeuvre and a real need for dependable window cleaning services," said Brad Cherniak, partner at Toronto-based Sapient Capital Partners.

"It's a great concept, neat branding and lots of low-hanging fruit. Home Depot is a good analogy for what these entrepreneurs should aim to do: get the nuts and bolts and service aspect right, so there is no mystery for consumers as to what they can expect," Cherniak said.

However, he notes that it's harder to evolve a franchise business than it is a corporate one. "Franchisors have to be consensus ambassadors as opposed to command and control leaders. As they add services and complexity they'll have to strike a balance with their franchisees and convince a heterogeneous group of people to make decisions that won't make everyone happy."