

BANKING

Banks hope to draw in nonusers

A majority of U.S. banks say they have made their branches more welcoming and convenient for people who shun the banking system, but less than 10 percent of the institutions offer special savings accounts geared toward those people, a new survey shows.

The survey was released by the Federal Deposit Insurance Corp.

An estimated 28 million people in the U.S. don't have bank accounts — often because of mistrust, cultural and language barriers or a belief that by the time the bills are paid nothing will be left for an account. About 44 million are considered “underbanked,” having an account but tending to rely on nonbank service providers, according to the FDIC.

The survey showed that “more can be done to reach out to this significant market,” FDIC Vice Chairman Martin Gruenberg said.

ASSOCIATED PRESS

BUSINESS

Coffee, ice cream stores co-brand

Tim Hortons Inc. and the parent of Cold Stone Creamery will team up to create up to 100 co-branded stores that will offer customers both ice cream and coffee shop fare.

Tim Hortons and privately-owned Kahala Corp. said they will co-brand up to 50 stores in each chain in the U.S. by this spring.

Coffee and baked goods chain Tim Hortons is one of the largest quick service chains in Canada and operates more than 500 locations in the U.S. The chain has a steady business during the morning and lunchtime hours while Cold Stone drives “significant customer traffic and sales in the evening market,” the companies said.

Existing Cold Stone and Tim Hortons locations in Michigan, New York, Ohio, Rhode Island, Maine and Connecticut will be picked and reconfigured to offer both brands, the companies said.

ASSOCIATED PRESS

FINANCE



News-Journal/AUDREY PARENTE

Shipping out's shaping up

Ormond Beach packing business grows franchises

By AUDREY PARENTE
STAFF WRITER

Customers who strolled into Safe Ship in Ormond Beach to mail their letters one recent morning had to sidle by an old-fashioned lamp, a 19th century ewer and a stack of furniture pieces from another era piled in the lobby.

Dave Badhuin, owner of The Magnolia House Antiques swears by the local packing and shipping company, which has been operating for eight years, to get his eRay sales items out on time

for representation in Asia and Africa for a start up opportunity in Kuwait,” Richard Marsh said. “They don’t have a retail postal service there in rural areas with post office boxes only in the cities. We will be like retail post offices — maybe nine locations in rural areas.”

Franchising has taken time — several years working with Franchise Institute attorney Andrew Palmer — and about a quarter-million dollars, Marsh said.

award-winning representative of the global shipper DHL — isn’t just local anymore. Owners Richard and Cheryl Marsh have franchised and are expanding Safe Ship worldwide. While the U.S. Postmaster told Congress in January that dwindling mail volume and rising costs have put the post office \$2.8 billion in the red, the Marshes have sold seven franchises in Florida, two in Virginia, and about 15 more are in various stages of negotiations, from Appleton, Wis., to the United Arab Emirates and Nicaragua.

A stack of antiques delivered to its lobby will soon be shipped north by Safe Ship Ormond Beach, owned by Richard Marsh, who has successfully franchised his shipping business. Safe Ship is a United States Postal service authorized shipper and award-winning DHL packer and shipper. Marsh's wife, Cheryl, manages the Palm Coast operation.

SHIP

CONTINUED FROM PAGE 1

"He had several locations open, but it was very difficult for him to get around to all his stores, so franchising seemed a logical solution for growing his business," Palmer said in a phone interview from Boston. "It puts an owner in charge instead of a manager, and owners don't call in sick."

"He has registered to do business in all 50 states," Palmer said. "You have the federal laws you have to comply with, and in 23 states there are further regulations. Florida is one of those states, but in Florida you pay a fee and you're in, versus vetting states that actually read the offering in connection with their specific state laws."

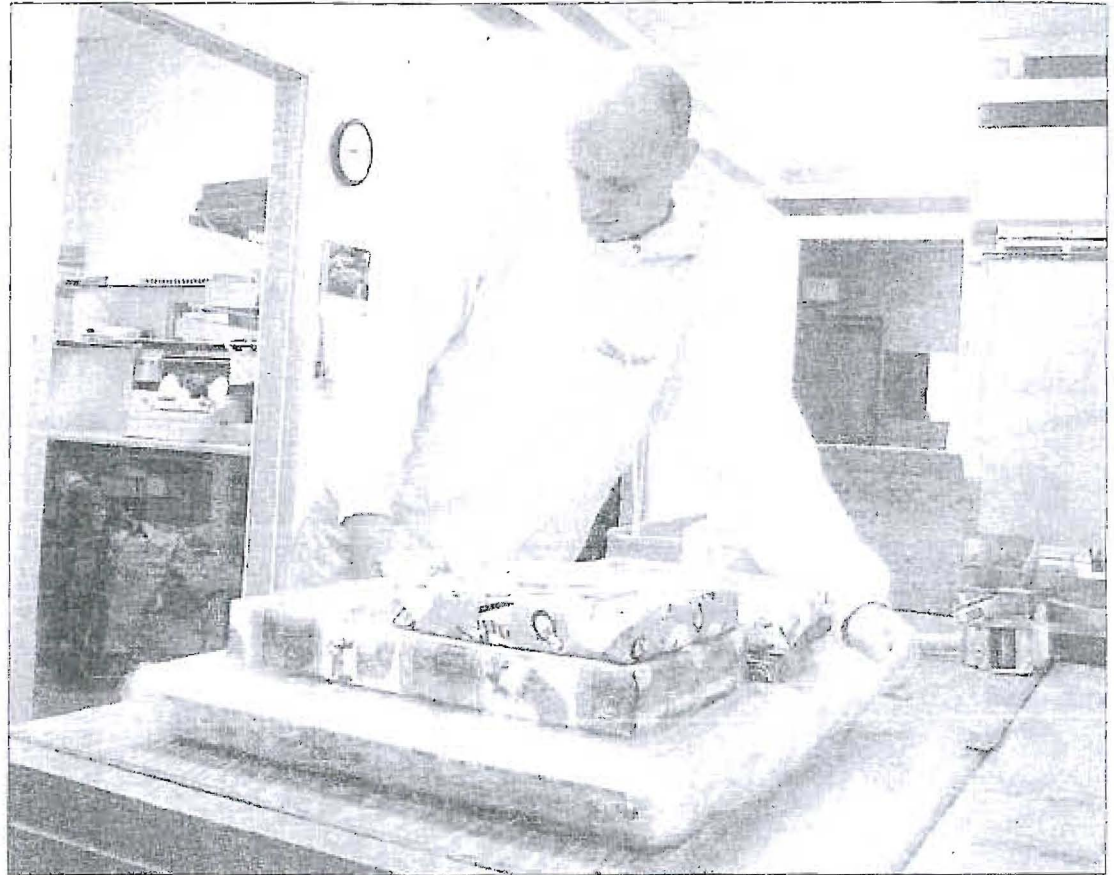
Florida Department of Agriculture and Consumer Services confirmed Safe Ship's registration as a "business opportunity company" in 2008 and renewal paperwork for 2009 is currently in process. Initially Marsh wasn't looking to grow when he and his wife started their first little packing and shipping store in Flagler Beach after a golden-parachute buyout from a chain-saw sales company.

"I had a nice severance package," said Marsh, 56. He was 48 at the time when he and his wife semi-retired to Flagler Beach into a vacation condo they owned for several years.

Then, while making photocopies at a corner packing and shipping store, Marsh had chatted with the owner and thought it might be a good little start-up business for his nest egg, especially with eBay on the rise.

At one point the Marshes had multiple stores in Volusia and Flagler counties. Now they own only two, with six employees, "including Cheryl and I," he said. He manages the Ormond Beach Safe Ship and she manages the Palm Coast operation.

Despite a threat of curtailed postal delivery by the U.S. Post



News-Journal/AUDREY PARENTE

Jay Stout, a Safe Ship worker in Ormond Beach, prepares several items for shipping.

Office because of economic deficits, the Marshes' Safe Ships locally remain open six days a week, offering postal services and overnight and international services, including FedEx and UPS.

As business grew, "people we respected came to us and said they thought we should franchise," Marsh said. But there was a false start with "an outfit who didn't do anything of value." Then he found Palmer's institute, which has turned out more than a dozen franchise graduates, and things started to fall into place.

"The biggest obstacles were working with states, getting the documentation. Virginia was very fussy," Marsh said. "They asked about my signage. They wanted to know about the store concept, if we had stores in operation and working, how profitable, if we had problems, if our bills were paid on time and those types of things."

Safe Ship's Web site, safe-ship.com, offers a franchise fee of \$19,900 (\$14,990 to military veterans); no startup royalties and in-store training.

Teena Totanes, a Safe Ship franchisee operating in Blackstone, Va., said she and her husband saw the real value of this franchise for her small town where folks drove "close to an hour to Richmond to ship overnight," she said.

Paperwork, training and site search got started in May and the operation opened Dec. 5, in time to capture a booming holiday business. Totanes said in a phone interview.

"We are very enterprising, and we are in a rural town in Virginia where there was a need for such a service. We found an excellent location that we couldn't pass up," Totanes said. "We have no competitors. It was a missing service in the community and we feel glad to be offering this."

Marsh said many personal obstacles didn't deter him from achieving his franchise success, including multiple sclerosis "which has gone from dormant to active," and a bout with Bell's Palsy, a facial paralysis that lasted about eight months.

"It was difficult to appear in public (with Bell's Palsy) and every muscle hurts (with multiple sclerosis). I need more sleep than I used to," he said. "My body wants to stay in bed all day long, but it would be a quick way to death."

So Marsh isn't slowing down and said Safe Ship isn't facing a slowdown, either.

"The best time to expand a business is in a poor economy," he said. "Competitors go out of business, and anybody who doesn't know what to do goes out of business. And with layoffs and closings, people are looking to go into business for themselves."



MARSH

Q&A