

Franchise Expands: Gravel Doctor links with referral service to build equipment network in U.S.

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An agreement signed early this year with Connecticut-based franchise referral service The Entrepreneur's Source has helped grow the Gravel Doctor network in the United States and Canada.

Owner and equipment designer Norm Scott of Port Lambton, Ontario says master franchise agreements are currently being completed for the state of New York and province of British Columbia. In the Ontario-Michigan industrial corridor, single-unit franchises are already in place in northwest Detroit, Windsor, Sarnia and Chatham. The equipment franchise operation is negotiating for the start-up in 2003 of a master franchise for Quebec and a single master franchise for the New England states of Maine, Rhode Island, Massachusetts, Connecticut, New Hampshire and Vermont. Negotiations are also moving beyond the "talking stage" in Washington, Illinois, Indiana and Ohio.

"We'll set up a master franchise for a region that has the potential for a minimum of at least 20 individual local franchise units within it," says Scott. "That makes it economically viable for the master franchise." To ensure consistency among individual franchises in the network, Scott's fully owned parent companies Gravel Doctor (Canada) Inc. and Gravel Doctor USA Inc. retain a 51% ownership of all master franchises. Gravel Doctor equipment is leased to franchisees.



Scott himself owns the Sarnia, Chatham and Windsor franchises and with the assistance of his wife Greta and a full-time employee provides gravel reconditioning services during the April to November season to an industrial and residential customer base in this Southwestern Ontario region. Son Norman is a technology consultant to the company and manages the Gravel Doctor's interactive website (www.graveldoctor.com) and production of training videotapes.

Several of the industrial sites in nearby Wallaceburg, Chatham and Windsor are on a yearly maintenance contract as well as sites in Sarnia. "We work a lot of weekends when the parking lots are empty.

Greta will leave here Saturday morning on one machine and I'll leave on another and we won't get back until 10 p.m. We do that again on Sunday but the reward is that we'll have made enough over the weekend and can afford to go sailing on Wednesday or Thursday."

A former crane operator with skills in civil engineering technology, Scott is a hands-on person who likes to design and operate the equipment. However, he admits that his burgeoning administrative, design and training roles will limit his active involvement as an equipment operator in the future. "Our main objective will be to grow the fran-

chise network at a rate that is manageable.”

Gravel Doctor equipment systems are manufactured in the Port Lambton area, utilizing local fabricator and finishing suppliers.

How the franchise works

After a franchisee signs a contract, there is a three-week period in which the equipment is delivered and training is completed before the franchisee actually starts operating the equipment. Franchisees receive training both in the classroom and on the equipment.

The company’s growth has attracted the attention of equipment distributor Kubota in Canada and the U.S. “We are very impressed with both the potential of the Gravel Doctor system and the amazing positive environmental impact of recycling gravel versus re-surfacing with newly-crushed stone,” says Ross Wallace, General Manager, Sales & Marketing of Markham, Ontario based Kubota Canada Ltd.

“Kubota is committed to environmental protection and recognizes that recycling gravel is cost-efficient and helps to avoid substantial and unnecessary pollution. This is a win-win situation.”

The Gravel Doctor franchise system offers a complete turn-key operation

with web site and technical support. After payment of an initial fee, there is a fixed lease fee but no royalty fees. Upon successful completion of a five-day training course, the franchisee will receive exclusive rights to a designated territory, a recycling machine and roller.

The equipment

The Gravel Doctor equipment system is a specialized recycling, leveling and restoration machine that is designed to completely remove pot-holes and ruts from gravel roads, driveways and other unpaved surfaces. The unit can also landscape, reshape and renovate most unpaved surfaces. Designed to be fast and highly maneuverable in tight spaces, the equipment competes with conventional heavy machinery, while preserving the original landscape. Typically, no additional gravel is required.

Created in Scott’s workshop at his home in Port Lambton, the Gravel Doctor is designed to mount on a category one three-point hitch on a

compact four-wheel-drive tractor. It is available in several models from 4’6” to 10’. The smaller sizes are for golf course roads, narrow walkways and paths; the 7’ for recreation trails, parking lots, nursery roads and cottage roads; and the 8’-10’ for the mining industry, rails to trails roads and woodland roads. The largest equipment requires a minimum 75 horsepower four-wheel drive tractor to pull it.

The machine scarifies, remixes, spreads and levels new and/or existing material. It operates in forward and reverse. In addition to repair applications, the equipment is designed to contour and landscape a wide variety of natural and crushed surface materials. It can be used in the winter to clear hard packed snow and icy ruts.

“Operating the equipment is fairly simple,” Scott says. He concedes, however, that managing the growth of his franchise business represents a significantly larger challenge. 

Gravel Doctor Franchise Costs

Single-unit franchise: Starts at \$21,500 U.S. (\$25,000 Cdn) Master franchise: Starts at \$49,000 (49% share)

Lease fee: \$350 monthly

- Franchisee supplies own truck, tractor and trailer (custom trailers are built by GD)
- Gravel Doctor retains 51% ownership of master franchise
- No royalty fee
- Minimum-sized master franchise has 20 individual franchise units
- Website and toll-free line support is included in equipment lease fee
- 5-year term for single-unit franchise
- 10-year term for master franchise