

Art and Wine Create a Successful Franchise Cocktail

By **DEBORAH L. COHEN**, The Fiscal Times July 17, 2011

As the country crawls out of the Great Recession, America remains rife with entrepreneurial spirit. The Fiscal Times' Launch Pad series looks at innovative small-businesses to see how they got started, how their founders dealt with mistakes, and what advice they have for other aspiring entrepreneurs.

Combine a simple art class with consumption of wine and spirits and you have a respite from the real world that translates to the makings of a successful franchise. So found two friends who launched their new business at the most unpromising of times, the start of the economic downturn in late 2007.

"Everybody wants to be an artist," said Cathy Deano, 57, who with Renee Maloney, 42, started with one storefront in Mandeville, La., and began franchising **Painting with a Twist** in 2009. "I think what drives the business that people feel better about themselves than when they walked in."



Painting with a Twist specs:

Year Founded: 2007

Business: painting parties

Number of Employees: 6

First Round Funding: \$10,000

Location: Mandeville, La.

Website: www.paintingwithatwist.com

Competition: WineStyles, My Girlfriend's Kitchen

Their spin on an inexpensive escape was hatched as a way to bring in supplemental income and take their minds off the **effects of Hurricane Katrina**. Cementing a relationship begun as parents of children attending the same school, they brainstormed concepts ranging from architectural salvage to science fairs.

On the suggestion of a friend, they settled on painting parties, putting the first storefront in their hometown some 20 miles north of New Orleans. Borrowing about \$10,000 from their husbands, the women started on the cheap, using tables and chairs purchased from a warehouse club and a chest of drawers recovered from a trash heap. They had limited business experience – Deano had run a personal catering business and Maloney had worked in a medical office.

"We really wanted it to be a fun and entertaining experience for people who feel like they cannot even paint," Maloney said. "Maybe they didn't

even pick up a paint brush in their life, or if they did, there was a teacher who told them they were really horrible."

The decision to franchise came after customers at their second store, which opened in 2008 in New Orleans, asked if they could reproduce the concept. Painting with a Twist now has more than 50 franchised locations, primarily in Southern states, and the business has generated a total of about \$5 million in revenue since 2009, including royalties and licensing fees. Deano and Maloney now own and operate four company stores, which are self-funded. They also incorporated a fundraising component, Paint with a Purpose, a nonprofit arm of the business that raises money for local causes.

The parties allow aspiring artists – mostly women – to move through the painting process under the non-judgmental eye of an instructor who helps them tackle content ranging from still lifes and landscapes to portraits of pets or themes of local interest.

In most locations, participants bring their own booze, which often eliminates the need for a liquor license. At the end of a typical two- to three-hour session costing \$35 to \$45 per head, they leave with finished artwork. "When you sit there with an apron on and glass of wine, it's great," said Toni Luquette, 50, an emergency-room nurse from Lafayette, Louisiana, who regularly attends sessions with her sister. "I didn't think about trauma, about patients, I didn't think about anything at all but my painting."

The business managed to buck broader trends in franchising, which suffered recessionary setbacks largely due to a lack of





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“It’s simple, it’s very simple,” said Tammy Milam, 51, who runs Louisiana stores in Lafayette and New Iberia. “The biggest investment is your people. Your instructors are the ones who are going to sell the class. They have to be entertaining.”



financing for would-be franchisees. From 2007 to 2009, franchised businesses in the U.S. decreased 3.2 percent to 763,094, according to estimates from International Franchise Association, a trade group. After an uptick last year, the IFA expects additional growth in 2011.

Deano and Maloney have surrounded themselves with trusted mentors, such as Melanie Bergeron, chairwoman of Two Men and Truck, an established moving franchise in Lansing, Michigan. “You give them something and they run,” Bergeron said. “These ladies, they ask, you tell them, and they do it.”

They have overcome some hurdles. After Katrina, subsequent hurricanes hampered the launch of their New Orleans store and they had to deal with a trademark issue involving their original name, Corks N Canvas.

Their success may also be tied to the relatively low cost of starting a franchise.

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Painting with a Twist is considered a lifestyle business, a segment that includes both franchised and independent ventures covering everything from jewelry-making to beer brewing, said Eric Stites, president of Franchise Business Review, a Portsmouth, N.H. research firm that tracks franchising. Its lack of complexity may make it vulnerable to copycats, he said. “It’s a pretty easy model to rip off, either to do on your own or to start a competing franchise,” Stites said. “It seems like it’s pretty easy to replicate.”

Deano and Maloney defend the value of their franchise, offering new operators a system that helps determine the type of art likely to be popular in a particular area of the country and assistance with recruitment of talented instructors. “We are probably the largest employer of artists in the nation besides the school system,” Deano said.