

San Julian To Expand, Gain Investors for Metal Supermarkets

New Metal Supermarkets President Bob San Julian is wasting no time in getting his feet wet. From observing the strong effect the metal market has had in Canada through his old company's Ontario locations, he sees Metal Supermarkets as an investment yet to fully realize its return in the U.S. "There's a strong need for being able to get metal without having to order a bulk purchase," he says. "Canada has many locations that serve this need and the returns are lucrative. As well as we've done in the U.S., when you look at how many Home Depots there are, you can see there's a lot more expansion to take advantage of—and we will." San Julian says they can look at the Starbucks of the world as a prime example. "They didn't invent coffee yesterday," he says, "they just thought of fully expanding individual stores like Starbucks late. I think they've done pretty well."

But though it may be too late to capitalize on the Starbucks boom, San Julian says you're right on time for Metal Supermarkets, the company opening up stores in Omaha, Nebraska recently and with locations in more than half of all states in the U.S., including three in California and Texas and four in Illinois. "I'm looking to go out and raise several millions in investment for the company," he says, "but we're putting our money where our mouth is, too. I'm in talks to get back several of our franchises. We feel the metal market will have a strong growth spurt, so we want some more pieces of the pie." Of course, San Julian is used to heavy undertakings, formerly CEO of Brafasco, a fastener and industrial distribution company so successful that no less than Home Depot purchased it this time a year ago. "I'm very proud of the success we had at Brafasco," he says. "We even picked up a Pinnacle Award from Microsoft Business Solutions just before my departure." San Julian believes the biggest plus he brings to the Metal Supermarkets table is his ability to always make a company better than when he arrived. "The last three companies I've worked for all had a history of not growing," he said. "With great teams to work with, I was able to be a part of creating growth either internally or through acquisitions."

Despite San Julian's enthusiasm for the metal industry, one area he feels it's lacking at is online. His vision is to change all that by making metal orders one click away. "We have to step up and change with the times," he says. "Metal customers aren't just hoping for online, they're expecting it." But if franchisees were expecting the profits to be steered away from them as is the case with many franchise online options, they better think again. "We just want to use online to create convenience for our brand," he says. "We plan on taking the profit from the first order, but the future purchase orders from that customer would end up in profit for the franchisee." Online customers aren't just going to get the convenience of 2-3 day shipping through the Internet—they will also see their own price reduction. "Online will reduce the freight cost," San Julian says. "It's that little difference in overall price which can be the difference between sale and lost opportunity."

Another reason San Julian and the company believe Metal Supermarkets is the right investment is because it's not something that takes a lot of investment from the franchisee, making expansion of the company imminent. With a total start-up cost of \$250,000, which includes the franchise fee and equipment, inventory and operating

capital, plus only needing 40% of the start-up cost in equity, it's an investment that can be considered valuable and, just as importantly, possible to entrepreneurs. In addition, since Metal Supermarkets offers help in selecting a location and negotiating the lease, a business owner doesn't have to be an expert in finance to get started, just passionate about the product.

“The metal industry isn't just moved by the wealthy,” he says. “It's for the everyday schools, body shops and homeowner's needs. We want someone selling for us who can relate to that consumer and who will be knowledgeable in what they sell. With our sights set on growing our locations by 10% in the next year-and-a-half, we believe we're finding those kinds of franchisees every day.”