

Party franchise

German party and events rental company Party Rent Group has ambitious growth plans for Europe, with franchise partnerships playing a key part in the strategy. *ERN* spoke to Party Rent's Hans Schriever.



The company is becoming known for its work on high end events.

Franchising in the equipment rental business has so far been adopted mainly by big brands in the construction market - Hertz and Volvo being the two most prominent - but it is also now helping German party/events specialist Party Rent Group expand its successful rental formula throughout Germany and neighbouring countries.

Based in Bocholt in the west of Germany and founded in 1992 by two 24-year-olds, Joris Bomers and Michel Hoffman - who remain in charge of the business - Party Rent now has seven locations, four of its own in Bocholt, Dortmund, Dusseldorf/ Cologne (opened last October) and Arnhem (The Netherlands), and three franchise partners in Hannover, Hamburg, and Luxembourg. The Hannover business was launched as recently as the World of Events exhibition in Wiesbaden in January.

Hans Schriever, Party Rent's marketing manager,

Equipment storage at one of Party Rent's German depots.



tells *ERN* that the business has grown by 25-30% every year, and now employs around 120 people, including franchisees. Further geographical expansion - which he says will be with "both feet on the ground" - will rely almost exclusively on franchise partners; "Further establishments are planned, for example, in Berlin, Frankfurt/Main, Stuttgart and Munich. Long term, we will also expand into regions around Germany, like Austria, Switzerland, France, and so on."

The franchise agreement operates to a specified formula, and partners can either be established rental players or business start-ups, such as the recent Hannover launch. "Partners get lots of benefits", says Mr Schriever, "like franchise handbooks, financial advice and strategies, marketing resources, central purchasing and so on." Franchisers pay a €25000 "participation fee" and investment in equipment and facilities of around €350000 is required, of which the partner company itself must contribute €75000-125000.

Typical turnover

Party Rent estimates that franchisees will turnover around €350-500000 in the first year, with Party Rent receiving a 7-10% contribution. Partners remain autonomous businesses, and they also own their own stock of rental equipment.

The central purchasing is a significant benefit because of the wide range of equipment stocked by Party Rent, including cutlery, furniture, bars, tables and chairs, linens, lighting, heating and cooling systems and catering equipment. It also supplies a range of tents and marquees through re-rental agreements with tent specialists.



Party Rent's Hans Schriever with the company's new rental catalogue.



Joris Bomers, one of the two founders of the Party Rent business.

"We focus on top quality in all that we do", says Mr Schriever, "no matter if it's a €500 or €500000 order. Our customer base is the events market, such as leading catering companies, event agencies and tent companies, but also global players such as Siemens who have their own events divisions."

It has already established a reputation for producing top-end events in Germany and the Middle East, such as the Ball des Sports benefit gala in Frankfurt, the Bambi Awards in Hamburg (Germany's equivalent of the Oscars), and, last year, a party for the Bahrain Royal Family during the 2004 Bahrain Grand-Prix, for which Party Rent flew in 30 tonnes of equipment.

Mr Schriever says the development of the franchise locations will help it service its customers from local depots, and the heavy investment in equipment gives it a unique advantage in the market; "because we combine product diversification with a really big stock of each product."

As you would expect with a party franchise business, a big emphasis is placed on marketing activities and product innovations. It has recently completed a 176 page catalogue in four languages, and new products this year including furniture, tables and a "multi-tasking" bar system that can be used for applications including beer bar, champagne bar, buffet station or even a reception desk.

The future development of the business will, as Mr Schriever acknowledges, rely on finding good partners; "It depends on the people out there", he says, "I think there is a market to grow, including outside Germany, but we have to find the right people who are able to multiply our idea and our philosophy."