

The Street

5 Best Businesses to Get In for 2012

By [Laurie Kulikowski](#)    12/29/11 - 07:45 AM EST

NEW YORK ([MainStreet](#)) -- What are the hottest industry segments going into 2012?

The overall economy may have a stubborn gray(ish) cloud above it, but there are a more than a few industries with significant expectations for growth in the new year.

"The recent economic conditions have been a game changer, redefining the term 'job security,'" says Brian Miller, president and COO of [The Entrepreneur's Source](#), a franchise consulting firm.

Many unemployed workers are turning to entrepreneurship, specifically owning a franchise, as a way to become self-sufficient, Miller says. A typical question from clients: What industries are expected to grow the most over the next decade?

"One of the things I often tell people is 'Think about what's happening in society and you will see emerging [business](#) models that follow suit,'" Miller says.

He also recommends pursuing businesses that are recession-proof, such as disaster and restoration services, or businesses that are low in initial [investment](#), such as home-based businesses.

According to the *International Franchise Industry's 2012 Business Outlook* report, the top [franchise business lines for 2012](#) include personal care services, such as laundry and dry cleaning, entertainment and recreation, personal transportation and credit intermediation -- for which output is expected to rise 6.2% next year. That's followed closely by retail products and services (driven by a steady, albeit slow, rise in consumer spending) and real estate, though this is off a low base, the December report says.

"There's opportunity [for] anybody who is entrepreneurial enough to go out and start a business," says Terry Mackin, managing director at [Generational Equity](#), a mergers and advisory firm that focuses on privately held and family-owned [businesses](#) as clients.

Whether part of a franchise or truly on your own, here are five other industries with significant growth potential in 2012:



Elder care

With the aid of groundbreaking medical treatments and technology, Americans are living longer, and many seniors are living independently well into their golden years but with a little less mobility. The need for varying amounts of help with daily tasks such as cooking, cleaning, taking medication and basic personal care is leading to exponential growth in the elder care industry. Businesses and franchises are popping up.

The need for [senior care services and products will become even more pressing](#) in years to come. Not only are baby boomers' parents living longer; as they age into their own sunset years, they too will need these services. And this group has [money](#) to spend.

Home care is in growing demand as more families seek "higher-quality, more-affordable care in the home when they need it as an alternative to moving to facilities that can be much more expensive," says [BrightStar Care](#) CEO and founder Shelly [Sun](#).

BrightStar provides companionship, personal care and nursing home care services to people of all ages. The 10-year-old company, which has more than 250 franchises, also provides supplemental staff to health care facilities and doctor's offices.



2. Health and wellness

The trend toward a healthy lifestyle is producing ample opportunity for businesses from [frozen yogurt franchises](#) to create-your-own-salad eateries to [fitness centers](#) to benefits consultants.

Consumers are looking more closely at where their food is sourced on their own, for instance, but with the escalating costs of insurance companies are simultaneously encouraging employees to become more healthy.

So-called wellness plans are growing in the workplace as more companies expand what they offer to employees, from a gym discount to a more in-depth health incentive package, including stress management and work/life balance education, according to **CBIZ Benefits & Insurance**([CBZ](#)), an employee benefits consultant that helps small businesses implement wellness programs.

"Wellness is a hot area of small-business growth opportunity and will be into the next decade," says Gina Payne, National Director of Wellness at CBIZ, citing economists' forecasts from a decade ago that wellness would be the next trillion-dollar [business](#) in U.S. GDP. "It is scheduled to hit this mark in 2012," Payne says.

President Barack Obama's health care reforms have also "put wellness on the top of the conversation list," she adds.

Additionally, baby boomers are fueling the business by being "keenly interested" in preserving or reclaiming their health, while the alarmingly unhealthy younger generation is cause for concern -- and change, she says.

"There is room for any and all numbers of organizations who provide disease management, health coaching, physical training, nutrition programming, [technology](#) and social media platforms and a myriad of ancillary services (massage therapy, stress management, weight loss programs, etc.) to flourish in this wellness space," Payne says, "because the needs and opportunities are broad and diverse."

Peter Taunton, CEO and founder of [Snap Fitness](#), notes that the basic principles of the health and wellness space are the same today as they were 20 years ago -- eat right and move your feet.

"At Snap Fitness, for example, we still offer a great workout experience, quality equipment and clean, comfortable clubs," he says. "But now we also offer members online meal-planning services, custom vitamins and supplements and an activity monitor program that tracks your movement in and out of the gym. That means we're able to continue working with our members to fit *their* needs, instead of worrying about how to get them to continue supporting *our* product."



3. Warehousing

Companies are looking to save money wherever possible, and cutting the costs of owning

or leasing space to hold merchandise and products can add significantly to a company's bottom line.

Providing warehousing services and space, particularly for small [businesses](#), shows plenty of opportunity for industry expansion.

[Balsam Hill](#), for instance, might ship thousands of [artificial trees](#), the bulk of its [business](#), during the peak season -- and one a day in the offseason. The company contracts with a third party for its warehousing so "I'm not paying overhead to have warehouse space that I don't need in February," founder and CEO Thomas Harman says.



4. Shipping/logistics

Logistics is the management of moving packages or shipments. It includes all aspects, including insurance claims, packaging, the best way to ship and pricing, according to Steve Leavitt, COO of [Unishippers](#).

Unishippers franchisees specifically target [small to midsize businesses](#) that do not have the resources to hire a logistics professional.

The industry is growing as consumers continue to move to e-commerce for their [shopping](#) needs. Shipping companies will also benefit from planned cuts to the U.S. Postal Service that will leave a lot of smaller merchants looking for economical ways to send their products to customers.

"Whether the economy is growing or not, products still are moved. This is especially true as the economy is starting to pick back up. Inventories start to grow, demand picks up, so the supply chain needs to take place," Leavitt says.



5. Outsourcing/staffing

Businesses learned during the recession -- some quicker than others -- how to cut without hurting business output by "recognizing the true value of technology in their day-to-day [operations]," Generation Equity's Mackin says. "They don't need the bookkeeper anymore, there's QuickBooks to do the inventory. Not only do they get leaner and meaner, but they don't have to rehire."

This opens up a lot of opportunity for outsourcing, particularly when it comes to staffing -- "the idea that businesses have found they now can take advantage of concentrating on their core competency while bringing in other [part-time or temporary] professionals who have expertise in other areas," Mackin says.

By using temporary staffing even at the executive level, companies can save money on high-level salaries and benefits but still have access to the working capital they need.

Companies specializing in alternative staffing will see lots of growth, says Sara Sutton Fell, CEO and founder of FlexJobs.com, as employers look to hiring contractors, consultants, freelancers and other employees on a project basis as opposed to full time.

Workers can use sites such as FlexJobs to embrace this kind of employment, she says. "Prior to the recession [many workers] wouldn't have even considered" alternative jobs, she says, but now "these kinds of contingency jobs are viable options."

"The long-held full-time job was proven not so secure a few years ago," Sutton Fell says. There is "a lot of skepticism now in putting all your eggs in one basket where employers don't owe you anything. The perception of a full-time job and what kind of security that actually lends has changed."

The new reality can be good for some workers. "It sounds so fringe but [there is] study after study that says workers would rather have more flexibility than get paid more or more vacation days or [other], more traditional benefits that a full-time job would have," she says.

-- *Written by Laurie Kulikowski in New York.*

