

FREE TIPS AND INFORMATION:

ABC's of Franchising, for Franchisors

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Franchising is a specific type of 'structured business' which only people who have done the research and evaluation should consider going into.

When franchising first began in the UK, potential franchisors jumped at the opportunity which this kind of replication of business presented – i.e. growth without the capital investment. What they soon learnt was the resultant growth demanded time, effort, maintenance and a different kind of investment.

Healthy franchising can be described as the kind that generates a sustainable network with motivated and profitable franchisees which in turn results in a successful, profitable franchisor. Some punters will dispute this and say that a successful franchisor results from a vastly increasing network of franchisees, i.e. the more the sales, the better the network.

Unfortunately, in the cold light of day, this fails to hold up in an argument where franchisors are finding themselves in a position of diminishing resources, disgruntled franchisees and a growing urgency of planning an exit strategy.

From experience, the key elements to healthy franchising lie in focussing on these three basic points:

- A. Infrastructure
- B. Staffing
- C. The Quality of the offer

The (mature) franchisor that pays attention to improving and re-evaluating its infrastructure to ensure that the growth in franchisee numbers is sustainable will reap the benefits of high levels of franchisee retention, higher brand value and enthusiastic franchisees who in turn bring in more franchisees.

The organisational structure of the franchisor's own business is crucial in assuring all of the promises made to incoming and existing franchisees are delivered upon and where possible exceeded. The staffing of the franchisor's office has a serious communication implication for the brand and the network. If this is not paid enough attention to, the franchisor will find itself in a position of crisis management and being reactive instead of proactive.

The reason a franchisee buys into the franchise is because of the perceived value of the franchise offering. The franchisee's needs, wants, desires and goals are heavily tied into what the franchisor has laid out as the full package.

To find out more about how to ensure that you cover the ABC's sufficiently, contact Sedona West today

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