

## FREE TIPS AND INFORMATION:

### Top 3 Reasons to be a Franchisor

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Franchising can be a more complicated method to growing a business, however if it is done right, it can be the easiest! There are some clear benefits to growing an operation through franchising and we highlight the top three reasons why prospective franchisors choose this route to growth.

The Top 3 reasons to be a Franchisor:

#### **1. Growth with no capital investment**

This is the outright '£' benefit to growth via franchising. The franchisor's business grows without it having to physically spend any more capital on premises/staffing/equipment etc. The franchisees make the investment in setting up the business, not the franchisor. The investment the franchisor does have to make is in setting up support structures and the framework that will consistently ensure that the model is sustainable for the future.

#### **2. Revenue Stream**

The franchising concept secures the franchisor's revenue stream monthly and annually. A franchise agreement will tie the franchisee into a fixed term (normally five to ten years) and into paying the monthly, annual and/or turnover linked fees. In some franchise models there are further opportunities for other streams of revenue for example: supplies, partner services, support services, complimentary products etc.

#### **3. Low overheads and multiple motivated business owners**

Together with the 'no capital investment' benefit listed above, this also translates into the franchisor having lower overheads than a commercially corporate structure would have. The franchisee is the business owner and takes on the overheads for his/her operation, and this is not something the franchisor has to contribute to. The key benefit to having franchisees is that they have a stake in the success of the business – they are therefore motivated to make the business work and achieve the best results.

When a prospective franchisor evaluates the reasons to choose franchising, the crucial issues to look at involve a number of factors including a bigger picture of where the franchisor wants to be in 5, 10 or 15 years. Also read the FREE INFORMATION document entitled: 'Prospective Franchisor's Key Considerations'.

**To find out more about what to evaluate before becoming a franchisor, contact Sedona West today**

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