

All About Franchising

What is a Franchise?

A franchise is an agreement or license between two parties which gives a person or group of people (the franchisee) the rights to market a product or service using the trademark of another business (the franchisor).

Is Franchising Right For You?

Franchising isn't for everybody. It involves particular mind-set and attitudes, like willingness to work to someone else's system. It also requires a degree of management ability.

Franchise Fees

Some franchisors charge a deposit that may be fully or partially non-refundable. Often the deposit is used to research the territory or to help you find a suitable property.

Evaluate UK Franchise Market

If you are buying a franchise, you are going to be working, selling and promoting the product or service for a long period of time. You can't change or develop the product or service, so make sure that the franchise has long term appeal and its market is not threatened in any way.

What is a Franchisor Looking For?

Franchisors believe that management skills, attention to customer service and sales skills are the most important qualifications.

Franchise Facts

Some extracts from the annual franchise survey

- 93% of franchisees are making a profit
- franchise industry valued at £10.8 Billion
- Average borrowing for a franchise £50,000
- Average turnover of a franchise business £323,000

2007 Natwest / bfa franchise survey

How to Prepare a Business Plan

The Business Plan explains what you hope to do, how much money you need to do it with and how you propose to pay the money back. Your plan will include a Profit Forecast and Cash Flow Model. Croydon Enterprise can help you in writing a Business Plan – Please call their Business Hotline on 0208 680 6161

Where Else to Look

It is important that you do extensive research before you decide on a specific franchise. You can access free advice via the internet, and from going to franchise and business start-up exhibitions and from reading the franchise press. Your research will hopefully

allow you to compare similar opportunities so that you can make an informed decision in your final choice.

Useful Links

The following list of websites provides potential franchisees in the UK and internationally with useful franchise information and advice, franchise news and franchise opportunities available.

Franchise Associations

British Franchise Association (bfa) **www.british-franchise.org**

Irish Franchise Association - **www.irishfranchiseassociation.com**

International Franchise Association (IFA) - **www.franchise.org**

Franchise Association of Southern Africa (FASA) - **www.fasa.co.za**

Franchise Financial Assistance

HSBC - **www.hsbc.co.uk**

Lloyds TSB - **www.lloydstsbbusiness.com**

Franchise Consultants

The Franchise Company - **www.franchisecompany.co.uk**

Howarth Franchising - **www.howarthfranchising.com**

Media Planning

Arc Media Associates Ltd - **www.arcma.co.uk**

Business Support

Croydon Enterprise - **www.croydonenterprise.com**

CREATE Project - **www.createproject.org.uk**

Franchise Websites

whichfranchise.ie - **www.whichfranchise.ie**

whichfranchise.org - **www.whichfranchise.org**

whichfranchise.co.za - **www.whichfranchise.co.za**

Franchise Pitstop - **www.franchise-pitstop.ie**

International Franchise Magazines

Franchise New Zealand - **www.franchise.co.nz**

Choosing a UK Franchise Opportunity

Finding the right franchise in the UK can be a daunting task, however, if you approach it systematically you should easily be able to arrive at a short list of suitable UK franchises opportunities. You can also see a list of Franchise Opportunities in the Croydon area on **www.whichfranchise.com/croydon**

Why Buy a UK Franchise?

Although buying a franchise is not an easy way to owning your own business, in some cases it is a lot easier than starting from scratch. For a start you can see your potential business in operation before you invest a penny.

Assess Yourself

In order to find which franchise is best for you, you must assess your own skills and experiences. Once you have found the type of work that suits you best you can then select the franchise type that suits you. You should also consider what risks you are prepared to take, although the risks in franchising are different to those involved in setting up your own business.

Assess Franchisor

You must have confidence in the Franchisor you choose and ask them questions about the business and the structure of the organisation at the early stages.

Step-by-Step Guide to Becoming a Franchisee

There are many stages you will have to go through in becoming a franchisee. See this link for further details

www.whichfranchise.com/feature_template.cfm?FeatureID=97

The UK Franchise Agreement

In order to become a franchisee you will have to enter into a legal agreement with the franchisor, known as the franchise agreement.

20 + Questions – Questions to ask the Franchisor to help you assess their Franchise Opportunity

Please bear in mind that there are many types of franchises and you may have to tailor these questions to suit the specific franchise you are enquiring about. Please click on this link for some questions you might like to ask.

http://www.whichfranchise.com/feature_template.cfm?FeatureID=29

Franchise Disputes

Franchise disputes arise frequently, not because franchisors are necessarily keen to have a fight with their franchisees or the other way round, but because franchise agreements are complex, commercial contracts which last for a considerable period of time.

Franchise Glossary

Buying a franchise, as like any business start-up, can be a complex process. To help simplify it for you we have listed below an extensive list of common franchise terms and their definitions.

**For more information on any of these subject areas please
see www.whichfranchise.com**