

## Support for Existing Franchisors Fact Sheet

Franchising can be an excellent way of expanding a business; however it does not always go according to plan. To maximize the benefits of having a franchise network there are a number of key areas Franchisors should focus on.

### **Ensuring that Franchising is an integral part of your business plan?**

In many smaller companies, Business Plans are often developed at the outset of a project and seldom reviewed or updated. A Business Plan is an essential component to any company looking to develop firm foundations for the future. A good business plan should have clear short, medium and long term objectives which the business is structured around achieving. Franchising should be an integral part of achieving these objectives and not as in some cases a secondary stand alone business.

### **Being clear of the benefits successful franchising will bring to your company?**

Sometimes it is easy to lose sight of the reasons why one is franchising. Franchisors should allocate time to review the reasons why they are franchising and the benefits to the business of franchising. Without a clear understanding of the strategic importance franchising plays in your business it is impossible to get the most from having a franchise network.

### **Ensuring the franchise support structure and franchise processes are fit for purpose?**

As with any other part of a business, the systems and processes required to support a franchise network need to be fit for purpose. It is important to check whether there are sufficient franchise support staff to effectively support and manage the franchise network. You must also ensure that all franchise support staff have the skills and expertise required to carry out their job. The systems and processes need to be consistently reviewed to ensure they remain current and allow you to support and manage the franchise network effectively.

### **Have set budgets for franchising?**

It is important to allocate sufficient resources, in both staff time and in financial budget, to manage and support the existing franchise network, and to enable you to recruit more franchisees. Companies often spend the money setting up the franchise model and initial systems but fail to provide sufficient resources to maximize the benefits from the existing franchise network and to enable them to recruit more franchisees.

## **Review your franchise offering**

Businesses and your competition very rarely stand still. What may once have been industry leading is unlikely to still be industry leading five years later unless the product and service is continually updated. The same applies to your franchise offering. It is important to constantly review what your competition is offering and ensure that your offer is both competitive and appropriate for the time.

## **Make sure your franchisees are happy and successful?**

It is critical on four fronts to have successful and happy franchisees.

- 1) In a high percentage of franchises, franchisor management fees are linked to the franchisees turnover and therefore the more successful the franchisee is the more the franchisor will earn.
- 2) Unhappy franchisees can spread bad feeling amongst the whole franchisee network effecting the attitude and often success of other franchisees. This can reduce the income to the franchisor through reduced franchisor management fees and be costly in management time in trying to deal with those unhappy franchisees.
- 3) Unhappy and unsuccessful franchisees can terminate their franchise agreement resulting in a vacant territory which produces no income for the franchisor. This in turn can effect future franchise recruitment as it sends bad messages to prospective franchisees when they see existing franchisees are leaving the group.
- 4) Unhappy and unsuccessful franchisees can have a negative effect on future franchise recruitment. Often prospective franchisees ask to talk to existing franchisees, and there is nothing more likely to stop them signing up than hearing that existing franchisees are unhappy and or unsuccessful.

It is therefore critical to ensure that time and resources are employed in ensuring that the franchise network are both happy and successful.

## **How Can Business Options Help**

Often your commitment in both capital and time will have been significant in setting up and running your franchise. Business Options has a range of services designed to help existing franchisors maximize the benefits from having a happy and successful franchise network including: assessing existing franchise systems and processes to assess whether they are fit for purpose and where not making the necessary improvements; training and recruiting franchise support staff; undertaking franchisee success and satisfaction reviews; developing and running franchise network meetings and conferences.

Business Options also offers a range of franchise recruitment services helping existing franchisors to recruit more franchisees which includes: reviewing the existing franchise recruitment material and process; developing franchisee recruitment strategies; implementing recruitment strategies on behalf of the franchisor; handling / qualifying / and managing franchise sales enquiries; undertaking joint franchisee interviews and advising on final franchisee selection.

For further information on the Business Options services contact Business Options on 01420 540260 or email [enquiries@businessoptions.biz](mailto:enquiries@businessoptions.biz)