

---

# Why Franchising can be a Great Opportunity



ASSOCIATES  
CONSULTANTS AND TRAINERS



## 1. Business Format Franchise



## 2. Product Distribution Franchise



## 3. Manufacturing Franchise



- Formulaic
  - Proven standards
  - SOP's
  - System
- Recognition
  - Awareness
- U.S.P's
  - Differentiating characteristics



- Too entrepreneurial
- Too broad
- Lack of systems

## Franchise or go it alone?

- A proven business concept
- Infrastructure
- Support services
- Training
- Learnt from what hasn't worked



# Setting yourself up for success

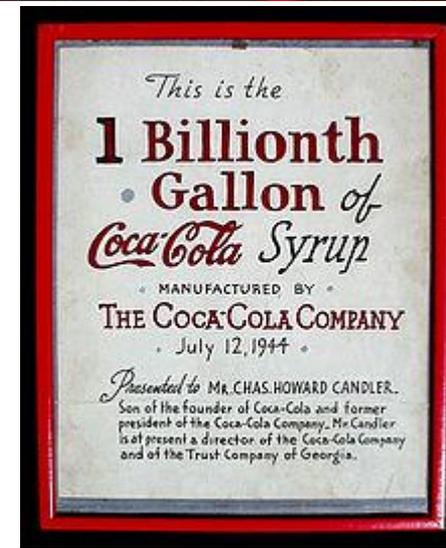
- Whose your target market & what channels
- Brand Name Appeal
- Standard Quality Goods and Services
- Marketing & advertising programs
- Centralised buying
- Territorial protection
- The competition – who are they?



# The Watch Outs - Financial

- Territory fees
- Initial Fees
- Level of Franchise Fee
- Advertising Budget
- Other services – leasing fees
- Proprietary Product Purchase
- Who pays for what
- Hidden costs

Up to 10% of  
Top line



- Restrictions on Image
- Limited Product Line
- Strength of business systems / training
- Less freedom
- International pedigree
- Ability to adapt to local market conditions



1. The structure
2. Capital Commitment (if any)
3. Exclusivity / Territory Rights
4. Development Agreement
5. Franchise Fees / Royalty
6. Advertising Budget
7. Other fees (opening fees) / product
8. Transaction / legal expenses
9. Currency

