

## Is your Franchise idea really Viable?

Many people think readily that they will move their business to the “next level” or beyond by franchising. Despite that in many cases franchising is a reasonable option (in some cases even an exceptional), most people when considering franchising fail to answer the most important questions early on. Those involve whether or not you should even consider franchising at all, before you spend large amounts of money trying to get it done! Major FIRST questions are:

1 – Is my idea and/or business actually franchiseable. That is, does it fit the model for being deliverable as a franchise to potential buyers? This includes many considerations but paramount in these is Can your franchise/you deliver immediate value and high cash returns that a potential buyer couldn't readily (or in a short time) get on their own? Can you deliver extensive manuals, training and detailed how to instructions in a standard format to assure your franchisees will succeed at the least at a high success rate (95% or more), because failed franchises get noticed and will kill your marketability FAST!. Would you buy one of your franchises if it were you? If so why, and what would you expect to get? If not, why not, and that probably means you either don't have a franchiseable item, or YOU are not cut out for it.

2 – Are you prepared to be a franchisor? Do you understand that the day you start as a franchisor and from that point forward, your only concern MUST be the success of and needs/desires of your franchisees? If you expect to just sit back and collect checks, get it straight now, “that isn't how it works!”

If you can sincerely answer these two questions in the strong affirmative, then review this quick checklist from **Chozen Associates in London, England**. It gives a simple 5 questions outline you must be able to answer positively to decide if you are ready for franchising. At BCBA, we have a 28 question detail outline and list for franchisors to go through to assure they are ready. As well, we have several independent associates who are national and international experts at developing and setting up franchises and have their own companies specialized in providing all you need to do so. We will be glad to help you in that regard if you like. However, for now, be sure you can answer these and the following questions fully and right, before you start down that path. As well, be well aware there are substantial legal issues and documents you are required by law to develop and have for anyone considering to buy a franchise from you. BE SURE TO GET TOP LEVEL PROFESSIONAL HELP HERE! Work only with proven experts to do this! Apparently there are many people in the market offering these services who, shall we say, don't know what they are doing. When it's said and done, you will pay a lot of money up front to get a quality franchise set up and on the market. Make darn sure you get truly credentialed and provably experienced professionals to help you at the outset, if you proceed!

## Are you ready for Franchising?

*Here are 5 questions to ask yourself and the rest of your team. To be a successful Franchise concept you have to have some evidence that you score reasonably well in at least 4 out of the 5 areas*

1. The Concept & It's Longevity. Does the concept already have a successful business model that has had substantial investment put into it, and a track record to match?
2. The Management. Over time the right people do the right things. Having a management structure that has moved from being purely entrepreneurial to professional puts the potential Franchise in a stronger position to develop. *(your only concern MUST be the success of and needs/desires of your franchisees!)*

3. Systems and Training. The key here is that there are well documented procedures, for both operations and training. If you don't have a documented system the Franchisees will invent their own.
4. Unit Economics. Plain & simple Franchise businesses must be profitable. If the concept does not have superior cash flow it cannot afford to pay you your royalties.
5. Timing and Market Conditions. This relates differently to each sector, and is the most difficult area to quantify. It also depends a lot on the availability of good potential franchisees within the sector.

As noted above, these are only a few of the issues to consider, but they are paramount at the beginning to decide if franchising is even a valid consideration! Good luck!

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