

**FRANCHISOR NEWS****THINKING OF FRANCHISING YOUR BUSINESS CONCEPT ?**

If you have a successful business and are looking at ways to grow your business, franchising may be a method worth exploring.

What kind of issues should you consider if you are thinking of going down this path ? Here is a sample:

1. Ideally you should already have an established business, which has been trading successfully, is distinctive and is based on a business model that can be replicated;
2. Do you have sufficient capital/funding to develop the franchise system ?
3. Prepare a franchise development (business plan) in relation to your franchise project;
4. How will you protect your intellectual property rights and licence this IP to franchisees ?
5. You will need to develop detailed Operations and Procedures Manual (s) for use by your franchisees;
6. On what basis will you select your franchisees ?
7. You will also need to develop training programs;
8. What marketing and advertising campaigns must be created to promote the franchise system and brand ?
9. Will you be offering exclusive or non-exclusive territories ?
10. Does the business concept require a fixed premises from which to trade ? If so, who will hold the lease – you or the franchisee ?
11. You will need to engage professionals, such as lawyers and accountants, to draft the Franchise Agreement, Disclosure Document and ancillary franchise documentation as well as obtain advice relating to structuring, liability protection, taxation and bearing in mind succession planning considerations;
12. You need to consider what support systems you will have in place to assist franchisees as they come on line;
13. What fees will you charge your franchisees ? Will it consist of a combination of up front Franchise Fee plus ongoing royalties ? What other fees will apply ?
14. Will you establish a pilot franchise first to verify if the franchise system is a viable strategy ?
15. Do you have secure and reliable supply chains ?

16. What internal management and IT systems will you need ?
17. Do you have the management skills to manage a number of franchisees ?
18. You need to get advice about the Franchising Code of Conduct and its application to you as a Franchisor.

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