



# Make Franchising Your Business



Consultancy  
Feasibility studies  
Financial modeling  
Recruitment solutions  
Franchise documentation  
Access to finance



## Why choose franchising

The UK has suffered one of the worst recessions of our times, yet the franchise sector continues to buck the trend. Why is that? Perhaps it's because you invest in a tried and tested business model with the support of people who have conquered the challenges that you face and that reduces risk! The British Franchise Association and NatWest Annual Survey into the franchising sector report for the year 2011-2012 states compelling reasons to consider franchising.

- Franchising contributed £13.4 billion turnover to the UK economy
- Over 90% of franchisees reported profitability
- The number of franchised systems has grown by 4% from the previous year to 40,100
- Franchise failure rates remained below 5%
- Employment within franchising increased to just under 600,000



## Business Expansion

### Growth through franchising

Business expansion through franchising is a well proven model for business owners wishing to grow their current operations.

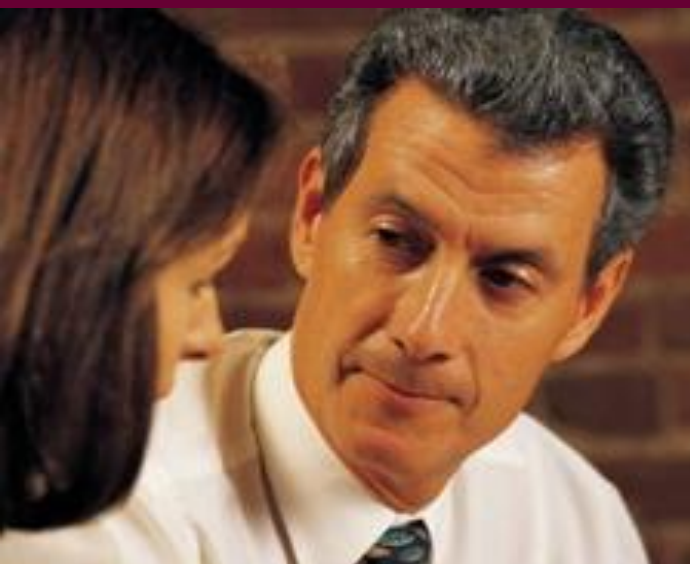
If your business is profitable, sustainable and transferable then franchising may be the route for you. At Be Franchising we understand that franchising is often new territory for our clients. We can offer bespoke solutions in a non-fussy easily understood language, from people who have already done it.

Our services include:

- Business feasibility studies
- Financial modeling
- Strategic help
- Business plan preparation
- Franchise document preparation
- Franchisee recruitment
- Access to finance
- Franchisee launch & support assistance

**Be Franchising has a dedicated team of specialist franchise consultants and associates with over 30 years experience in this sector. So you're in safe hands!**

**For a free no obligation consultation contact Be Franchising on **01833 631036** or email [info@befranchising.com](mailto:info@befranchising.com)**



## What are the advantages of Franchising?

- You don't have to come up with a new idea - someone else has already done that and they've tested it too!
- Nationwide, well-established franchise operations will often have national advertising campaigns promoting their brand.
- Most franchise packages include comprehensive training programmes covering all the disciplines needed to run the business profitably.
- Being part of a franchised operation, your customers will often have more confidence in a known brand.

Pictured: Andrew Nelson of Go Kart Party – franchisee for Teesside and Durham, with his son Sam.



## What is franchising?

Franchising is the granting of a license by one person (the franchisor) to another (the franchisee), which entitles the franchisee to trade under the trade mark/trade name of the franchisor and to make use of an entire package, comprising all the elements necessary to enable a previously untrained person in the business to run it, with continual assistance on a predetermined basis. The franchisee benefits from becoming part of an already established brand. (Says the BFA).

The principle is simple - some companies choose to grow, not by developing in the conventional way, but by granting a license to others to sell their product or service in return for “royalties”.

Below is a small sample of ethical franchised businesses we have worked with, from a variety of sectors.



Be Franchising – *simplifying business*

## Considering a franchise

Franchising is a well established, proven and profitable business model covering most industrial sectors. Proven concepts exist from as little as £1k right up to large international chains offering franchised opportunities for more than £250k.

As with any business relationship it is essential that you conduct thorough research, which should always start with the question, “am I suited to franchising”? It may sound silly but being able to honestly answer this question will serve you well.

You should also look for a business sector and brand that really appeals to you! Why would you invest in something you have little or no interest in? Franchisors want passion!

Franchising offers a proven business platform allowing you to get trading quickly whilst eliminating the costly mistakes commonly associated with self employment. Franchised businesses are most often very prescriptive in that they teach you their way of doing business and expect you to follow their format. This helps to ensure consistency and quality for the consumer.



## Buying a Franchise - Support tailored to your needs

Buying a franchise can be a quick way to start up and run your own business. Buying into an established company and brand, your business is based on an already proven idea, and you will be off to a flying start. The franchisor has developed their system over a great deal of time, making the mistakes at their cost, so what you are buying into is a tried, tested and profitable concept.

At Be Franchising we make franchising simple and easily understood. With over 30 years experience in the franchising sector we offer sound business advice and guidance, introducing you to franchising, conduct a skills matching exercise, which will match your circumstances, abilities and aspirations with suitable franchised brands and also guide you in conducting that all important research and much more.

We will work with you to secure funding to buy your franchise or expand your own brand through franchising.

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## Planning for success

As the UK's only **not for profit**, franchise consultancy we are able to deliver cost effective advice, support and guidance without compromising on quality.

We are a leading provider of bespoke business planning solutions. We put our client's aims, objectives and vision into practice, opening doors to investors and financial institutions.

The Be Franchising team will take you through the complete franchise re-modeling process, setting out your business goals and demonstrating how they will be achieved.

Working with Be Franchising, you can be sure that your business and its needs will be quickly understood resulting in coherent and workable business solutions.



## Business plan preparation

Be Franchising provides a professional and fresh perspective on all aspects of effective business planning, strategic marketing and raising finance.

- Business concept analysis
- Personal assessment
- Competitor analysis
- Market research
- Financial modeling
- Funding appraisal
- SWOT assessments
- Sales & marketing strategy development

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## Be Franchising

### *Real solutions from real people*

Franchising offers you the opportunity to expand your already successful business using other peoples money! But first you need to determine if your business is franchise-able. At Be Franchising we'll take you through:

Concept appraisal

Trade Marking your brand

Help with Franchise Fee Structures

Business & financial planning

Franchisee profiling & recruitment

Franchise document production

Access to finance

Whether you're exploring franchising for the first time or you're a business person running an established, successful SME, we have a solution for you. Based in the North East of England supporting individuals and SME's across the UK ***simplifying business – simplifying franchising!***



## Franchising Works!

Some of the biggest brands in the world franchise their businesses. That's because, the right combination of brand, system, people and commitment brings a demonstrably higher performance than using employed staff.



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## A Package to Suit You Our Services Include

Skills Match Service  
Franchise Appraisal  
Franchise Document Review  
Business Start up Advice &  
Guidance  
Business Plan Preparation  
Access to finance

Starting a business can be daunting, here at Be Franchising we will support you through your journey, exploring Franchising as a route to self employment. Our team has a wide range of skills & expertise enabling us to provide advice and guidance on all aspects of business start up.

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# Jargon Buster - Franchising Terms Explained

**Area Developer Franchise** A franchise which includes the rights to expand a region through appointed sub franchisees or multiple managed outlets.

**BFA** The British Franchise Association was set up by Business Format Franchisors to regulate the industry on an ethical basis, granting membership to those franchisors it considers meet the demands of its Code of Ethics and procedures.

**Block Exemption** The European Union concessions to franchising which bypass the normal EU anti-restrictive trade practices legislation seeking to protect competition – which, for example “exclusive areas” can be deemed to contravene.

**Business Format Franchise** the franchisee buys into a total turnkey system of brand, know-how, training, methodology and support.

**BuyBack** Where the franchisor agrees to purchase a franchise back from a franchisee if the latter no longer wishes to continue.

**Disclosure** The practice of revealing detailed information about the franchisor’s business track record and franchise package. This is a legal obligation in, for example, the USA, but voluntary in this country.

**Exclusive Area** That territory licensed out to the franchisee in which to conduct the business. The exclusivity is defined by the terms of the Franchise Contract.

**Franchise Contract** Also known as the ‘Franchise Agreement’ it documents the legal relationship of obligations existing between franchisors and franchisee.

**Franchisee** the person who buys a licence to replicate a business system.

**Franchising** Method of marketing goods and services via a business formula licensed for others to copy.

**Franchisor** The company that offers the licence to replicate their system.

**Franchise Package** The sum total of franchise system rights licensed to the franchisee, including branding, knowhow, systems, territory and training- for which

an Initial Franchise Fee is charged by the franchisor.

**Intellectual property** The franchisor’s secrets of doing business and various trademarks, branding, manuals, etc. which should be legally protected before being sold in a franchise package.

**Job Franchise** Where the franchisee is a hands-on owner-operator rather than a manager usually linked with van-based services such as maintenance.

**Joint Venture Franchise** where the franchisor also takes a financial stake in the project- often in international franchise agreements.

**Know-How** The sum of the franchisor’s secrets of doing business, also referred to as intellectual property.

**Management Franchise** A Franchise in which the owner manages the operation and co-ordinates employees to do the actual work.

**Master Franchise** The system and brand of a large territory licence - a county or region.

**Master Franchisor** The entity which grants master franchises to others, usually used in international contexts.

**MSF/Management Service Fees** Another term for royalties, often based upon total turnover.

**Operations Manual** The detailed document or ‘bible’ which describes every item of the business system and work procedures.

**P&L Projections** The calculations, based on the franchisor’s pilot’s and franchisees experiences, which try to predict how soon franchisees can expect a return on their investment, year –to year turnover and profits.

**Pilot Operation** An independent operation which tests the franchise concept and incorporates actual financial, organisational and logistical pressures to be faced by franchisees in different areas.

**Regional Franchise** See Area Development Franchise.

**Renewal** Refers to the legal provisions in the Franchise Agreement for renewing or not renewing the franchise for a further term of years.

**Re-Sale** Refers to a franchised area already

established by a franchisee, offered for sale because the original franchisee wants to realise his investment, move on, or simply retire. More expensive to buy than a ‘virgin’ franchise area, but with the advantages of an ongoing customer base, referrals, goodwill and income from day one.

**Return On Investment** The calculations or expectations which franchisees work on to assess when they can break even on their initial investment in the franchise and start earning profits.

**Royalties** See MSF

**Sub- Franchisee** A subordinate level of franchisee to a Regional franchisee or Area Developer, usually appointed after the Regional or Area franchise has set up a training and support infrastructure for the territory.

**Term** refers to the agreed period of years (egg. 5, 10, 15) for which a franchise is granted through the agreement.

**Termination** refers to the legal provisions by which either party in the relationship may terminate the contract, e.g. for breach of contract.

**Territory/Area** Generally an ‘exclusive’ portion of land, on a national, regional, county or postcode basis, which is allocated to franchisee as part of the franchise package.

**Trading Act** Better known as the trading schemes Act (1996), this was introduced to combat the excesses of ‘pyramid selling’ which reached a peak in the 1980’s. It is valuable in that it distinguishes franchising from such dubious schemes. Today, the diluted offspring of pyramid selling are often to be found in magazines covering ‘network marketing’ or ‘direct selling’, where it is still the norm to earn money chiefly from recruiting subordinate levels.



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