



# The Curious Woman's Guide To Franchising



# Introduction

So, you're curious about franchising, and how it can help you to run or grow your own business; Great! You've made an excellent first step by downloading the EWiF & bfa guide to franchising. Over the next few pages, you will find information on anything and everything related to franchising, and how it can help you achieve your dream of business ownership. And... shape a better future.

## Who are we?

**Encouraging Women into Franchising (EWiF)** is a not-for-profit organisation. Through education and inspiration, we empower women by sharing the stories and successes of our EWiF Ambassadors. We're also on-hand to offer advice and guidance, whether you're looking to franchise your already established business, or want to run your own business.

**The British Franchise Association (bfa)** is the official association for the UK's franchise industry. Having raised the standards of professionalism within franchising, we continue to do so through our educational programme for franchisors and franchisees. As a result, we provide confidence for those wanting to invest in an ethical business and act as a trusted partner to those already franchising. We uphold and instil the European Code of Ethics, as the UK's only official member of the European Franchise Federation. Our dedication to franchising means we provide you with trusted information, so you can make an informed choice.

## Joining you on your journey

As you explore the opportunity franchising has to offer you, we'll cover all areas we know you're curious about. To make it easier for you to find the right advice for you, this guide is separated into two areas:

1. Why franchising is a great opportunity when looking to start a business
2. Why franchising is a great opportunity when you want to expand your business

We will cover everything, from:

- which sectors you could own a franchise business in
- the benefits of franchising as a franchisee and a franchisor
- how to find the right funding
- concerns around the legalities of owning a franchise
- how having the right mindset is enhanced by the support of the rest of your network

*We believe in you:  
now it's time to  
believe in yourself.*



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## What is franchising?

*Franchising is a simple concept. It is a business system which is already proven successful and has been developed into a framework for others to replicate, and grow their own business.*

When you think of franchising, what do you think of? For some people, franchising is associated with coffee shops and fast food. For others, franchising is something they've heard about because a friend is involved in one, but they don't know much more about it. Whilst others hear about a movie franchise, but are unsure how it relates to a business opportunity.

Franchises operate in pretty much any sector you can think of. From HR to accountancy; from car charging to cleaning and maintenance; from kids services to adult care; from hospitality to property from printing and publishing to delivery services; from personal coaching to health and fitness, an everything in between! Whatever your interest, experience or skillset, there is a business model which will work for you.

And if you have a business you want to turn into a franchise, there will be a sector open to you, with other franchisors from whom you can connect, and learn.

### The bfa the definition of franchising is:

"a business partnership bound by a legal contract (franchise agreement) which will permit the investor (franchisee) to operate, using the brand owner's (franchisor) brand and replicate the very same operating business model."

So, essentially, you are investing in a business model which someone else has developed, and is proven to be successful. The franchisor has already identified key aspects of running a business, like target audiences, services, products, and the ability to not just make money, but scale your business for growth.



### As a franchisee, you can expect:

- to receive everything needed to successfully start, run, and grow your new business
- to receive training on how the franchise works, their systems, processes, and business management
- the full support of the franchisor, and the franchise network throughout the duration of your franchise business
- guidance from your franchisor, in accordance with the changing markets, technologies, and laws
- to not feel alone, through any situation you face as a business owner. Like the pandemic which affected many businesses in the UK

All of which will enable you to follow the proven business model.

### As a franchisor, you can expect:

- to provide all of the expectations your franchisees are looking for
- the support of organisations like the bfa and EWiF, as you transition your business into a franchise
- guidance from approved service providers, who will help you with funding, meeting the legal requirements, marketing to find your franchisees

All of which will enable you to build a successful franchise network.



**Discover More:**  
[Watch the bfa & ITN production The Future is Franchising.](#) Hosted by Natasha Kaplinsky, you'll gain insight into what franchising is, in under two minutes.

## The barriers holding us back

The Rose Report, a Government-commissioned review of female entrepreneurs, highlighted the barriers holding women back from business ownership. Can you identify with any of them?

As you read through this guide, you may find yourself reflecting more on what can go wrong, or why you believe you could never run a business. You're not alone, if you are thinking along these lines. In fact, an official review into female business owners highlighted a number of barriers which hold women back from stepping out into running their own business.

The review was led by Alison Rose, former Deputy CEO of NatWest Holdings, and CEO of Commercial & Private Banking. She looked specifically at women who had started a business in the UK, and four peer countries: Australia, Canada, the Netherlands and the USA. She found that here, in the UK, less women choose to become entrepreneurs – only 6% – compared to 15% of women in Canada, almost 11% of women in the US, and over 9% of women in Australia and the Netherlands.

So, why do so few of us choose to be our own boss, rather than working for someone else? We are as capable of running a business, so there must be other factors. And there are! The Rose Report identified four key barriers which hold us back, which can be compiled under two categories:



### 1. Internal barriers

- Our mindset or lack confidence
- Our desire to avoid risk or the fear of failure

### 2. External factors

- How to finance a new business venture
- Family commitments



## The barriers



Hopefully, as you read through this guide, you will see how franchising works to tackle each of these barriers. We also have options for you to find a mentor, or someone who can support you. [Email EWiF](#) to request a free 30-minute telephone mentoring session.

# Section 1: Why franchising is a great option when you're looking to start a business



## ADVANTAGES

### Franchising has advantages to benefit you, not just the franchisor

Many of us are aware of the phrase, "if it's too good to be true, then it usually is". But when it comes to franchising, the right opportunity really is the best decision you could make.

If we are honest with ourselves, most of us would admit we are probably overly cautious, and would prefer to live lives with as little risk as we can. Especially when it comes to our income and living expenses. We like the assurance of a regular wage to cover, not just the bills, but the little pleasures in life which make going to work worthwhile.

So the idea of leaving the security of employment, to step into the world of business ownership, seems like a very high-risk decision. How do we know it's right for us? How do we know we can make it work? How do we know the benefits a franchise promises are real?

Whilst there are no guarantees about anything in life, we have worked with hundreds of franchisors, and seen their networks grow with incredible franchisees achieving great success. So, we know there are a great number of benefits to you, should you be thinking about taking advantage of a franchised business to be your own boss. Here are a few of them:

#### 1 Benefit one: A low risk investment

Franchising offers you the security of managing your own business, under the umbrella of an established brand. There are hundreds of tried-and-tested business models across all industries, so whatever your interest, background or skills, you can find the right one for you. Franchising also has a proven success rate, with over 95% of franchisees still operating after five years, compared to just 5% of start-up businesses.

#### 2 Benefit two: The right business opportunities for you

Having the mind-set for success combined with investing in your ideal franchise, is a winning formula. Whether you're a trained accountant, or didn't do too well at school; whether you love people, animals, or gadgets; whether you want to work from home, employ an office team, be active, or be out on the road, there's a business model for you. And because franchisors give training in all aspects of running a franchise, you'll grow a business you're proud of, with their support.



**3** Benefit three: In business for yourself, but not by yourself  
 Many women enjoy being with people like them; we feel a sense of community. So, being a business owner shouldn't make you feel alone. Being a franchisee gives you access to business owners who understand what running a business like yours entails. They can offer the emotional backing which tends to inspire, rather than hinder, female entrepreneurs. Your franchisor, and the rest of the network, are there to guide you along the way, offering advice from anything including dealing with marketing, and customer issues, as well as training and acquiring new skills.

"The benefit of franchising is being able to run your own Business alongside many others with the same Business model. We've all got each other for support, inspiration and are able to share ideas, yet can run our own Businesses to our individual schedules and create our own work-life balance."

**Victoria Rowley Puddle Ducks East Kent, North Kent & South East London**



"The benefits of franchising with Bluebird Care were not having to reinvent the wheel, as you're buying into a tried and tested model. Knowing this gave me so much confidence to go into business. For me, this was my first business and I really needed it to work."

**Anoop Sekhon, Bluebird Care Greenwich, Waltham Forest and Docklands, Stratford & Wapping.**

Don't let fear hold you back from running a business, if this is part of your life-goal. You can do it, and can be a success! Having the support of a franchise behind you will lend itself to giving you the confidence, as well as the knowledge, to do so.

## How do I find the right franchise?

*You want to run your own business, but you're uncertain of which industry to dive into. With so much choice, it feels overwhelming. So, how do you quieten the noise to discover your right path?*



Making big, life-changing decisions can be daunting. Especially when it involves large sums of money, or long-term commitment. When faced with multiple options, this can cause confusion and uncertainty about what we want. Which is why, more often than not, less is more.

So, when it comes to deciding which franchise opportunity to invest in, you need to whittle down your choices, until you have a realistic selection from which to make your decision. One you'll be happy with. One which fills you with excitement about your future!

## How do you achieve this?

There are a few ways in which to narrow the options, and give yourself an achievable number of choices you can research in-depth. Most surprisingly, this is not necessarily just about what your career has looked like, up to this point, because most of the skills and experiences you have are transferable when you move into business ownership. So, here are a few considerations:

### 1. What are you passionate about?

Not all of us are fortunate enough to find a job, straight from school, doing something we love. Many of us discover this along the way. Finding the right franchise often involves making a supported career change. You're supported, because your franchisor will train you and the network will guide you. So, don't restrict yourself to only doing what you've always done – especially if you feel like a square peg in a round hole. Do something you love!

### 2. What work life balance is right for you?

Your work-life goals will differ from the next woman's. Maybe, now you've experienced working from home, you don't see yourself working in an office, full-time. Or a change in circumstances mean you need to work flexi-time. Perhaps you'd prefer to focus on managing the high-level running of your new business, employing others for the day-to-day. Or you see yourself working in some Instagrammable places, as long as you can find WiFi and a phone signal. Identifying which of your requirements are non-negotiable, and which you think would be nice if you could, will help to ascertain those franchises which suit your work-life goals, as you plan how you can build your own business.

### 3. Research the industry

With so many business opportunities to choose from, it's important you have a good understanding of an industry before committing to it. Especially when you move into a new sector. Knowing who the key players are, understanding any regulations, and what your prospective supply chain looks like, gives you a solid foundation, although your franchisor will cover most of this in their training.

Don't forget to research the franchise industry, too. Speaking with someone at either the bfa or EWiF can give you insight into how our industry works, and what to expect when you join a franchise.



## 4. Assessing the opportunities

Once you have narrowed-down your preferences, it's time to reduce your list even further, to the one or two which you can research in-depth. This will involve:

- Speaking to the franchisor. Do you feel you can do business with them? Franchising needs to be a workable partnership
- Talking to franchisees. Are they happy, having previously made the commitment you're looking to make?
- Understanding your obligations. You'll be signing a contract, so make sure you have this reviewed by a franchise lawyer
- Knowing your funding requirements. You'll need to ensure you can raise the appropriate funding; not just for the initial investment, but working capital which you can live on, as your business starts, and begins to grow
- Checking whether the franchise is a member of a reputable organisation like the bfa. Those franchisors who do apply for membership, make a commitment to franchise ethically. The bfa has a stringent accreditation process, to stress-test the franchise model and ensure it's a proven and viable business. This helps to safe-guard you in the future



Hopefully, spending time answering these questions will give you a clear picture of the kind of businesswoman you want to be, and the type of business you see yourself owning.

## How do I cut through the marketing spiel to find the truth?

*Let's be honest! Whenever someone is selling you something, they tend to paint a rosy picture, right?! To help you cut to the chase, we've devised a list of questions to help you discover genuine opportunities.*

We want to help you see the benefit of our industry as a means of achieving your business ownership goal. Which is why we've combined our decades of experience in franchising to put together this list of questions to help you gain insight into any franchise you're researching:

### On their business

- How long have you been franchising?
- May I speak with your franchisees, and can I choose who?
- What does your Head Office support team comprise of, can I meet them before I start my business?
- How many franchisee failures have there been since you started?
- How do you choose your franchisees? Do you turn people away?

### On finance

- How much is the franchise fee, and what does this include?
- How much working capital will I need?
- May I see financial projections? Are they based on actual performance in the network?
- Did you run a pilot or company-owned franchise before you launched? If not, why not?
- Can you assist me with raising finance? Will the finance company require security?

### On methods

- What ongoing fees do you charge, and what are they for?
- Do I have to buy products from you? If so, do you take a commission? Does this include equipment too?
- What do you spend on marketing/advertising and do I have to contribute?
- Will there be a promotion when I launch my business, and is it included in my franchise fee?
- How much training do you provide?
- Where is the training, and do I pay for this?
- Once my business has started, what continuing services will you provide me with?
- Can I see a copy of the franchise agreement?
- Can I sell my business? Are there any restrictions that effect my right to do so?
- How long is the franchise granted for? What happens at the end of the agreement?



### On your involvement

- Can I end the agreement early/terminate the contract?
- What point of sale and promotional literature do you supply?
- Do I have to pay for this?
- Will I own the equipment necessary to operate the business once any finance is cleared?
- Do I have to commit to refurbishment/re-decoration and equipment replacement?
- Do I need to look for premises or do you find them for me?

### Communication & operations

- What systems do you have in place for keeping franchisees in touch with you and each other?
- Do you hold regular Franchisee Meetings?
- Do you provide instruction and operations manuals?
- If I run into operational problems I struggle to solve, what help and support can I expect from you?
- Are you a member of the bfa? If not, why?
- Are you a member of EWiF? If not, why not?

Don't be afraid to ask any question of your franchisor, if it will help you discover which is the right one for you. Most will be happy to answer your queries, and may invite you to attend a Discovery Day with them. This is a great opportunity for you to speak to more people within the franchise, and be given more details about the business, how it operates, and what will be expected from you.



## Why it's important to use the right kind of solicitor

*When you invest in a franchise, you are investing in a legally-binding arrangement. So, for peace of mind, here's why it's important to use a Solicitor who knows franchising.*

Before you get carried away dreaming about how you will run your business, imagining yourself speaking with customers, or envisioning your first sale, now is the time to focus on the formal for a while. Your new business will join a franchise network of like-minded business owners. Which means the franchisor has to protect the network as well as your personal business – just as you will expect from them in the future, as others join the brand.

This involves signing a franchise agreement. As with all aspects of franchising, you don't have to navigate this alone, there are professionals who can help. Your new franchise agreement is a legally-binding document, so it is important you seek the advice of the right kind of Solicitor. Franchising is a unique business relationship, so you want to have someone on your side who understands it.

### Seek advice from a franchise legal expert

Most solicitors specialise in particular fields of the law, and franchising is no exception. Use a bfa-approved solicitor ([visit the bfa website](#)) whose focus in franchising, means you have someone guiding you, who has a good understanding of the franchise agreement. They'll have seen other agreements, previously, so will be able to spot how the agreement will work for you. A business solicitor, who doesn't have any insight into franchising is unlikely to understand how the franchise relationship works, and the agreement you are expected to sign.

### Fees and timescales

Before you agree to use your franchise solicitor, you should agree any fees and the expected timetable in advance. It would be worth clarifying with them exactly how much franchising work they do. This helps you to feel confident you are dealing with a franchising expert, rather than an inexperienced person in an accredited firm. You won't usually meet with your solicitor, so where they are located, isn't such a big consideration. Everything can be done by post, email and over the phone. You can expect to pay a fixed fee of around £400-£700 for your franchise-agreement report.



### Your solicitor will understand franchise obligations and potential areas for questioning

Your franchise solicitor may be an approved bfa firm, and will be familiar with the bfa's Code of Ethics. As they are working on your behalf, they will report on the franchise agreement (rather than seek to amend it, unless necessary for legal or ethical reasons), providing you with a comprehensive account highlighting:

- **Your rights and duties**
- **Anything which may be unusual or onerous in the contract**
- **Anything they would expect to see in an ethical business format franchise agreement, which is missing in the one you've asked them to look at**
- **Any areas you may need to clarify with the franchisor, before you sign.**

If anything does need to be changed or clarified, your solicitor will usually lay this out in a legally-binding side-letter, which is signed at the same time as the agreement, and attached to it. This process should only take a few weeks to undertake, and complete.

### The process should be a positive one

Your experience of working with a franchise solicitor, shouldn't be a negative one. It will empower you to make an informed commercial decision as to whether to go-ahead with the franchise you have chosen, as your solicitor may also be able to make general comment about it.

If you're unsure about whether the solicitor you have chosen is a franchise-specialist, we're always on-hand to offer reassurance, or make recommendations. The franchise community is a close-knit one, and we're here to make sure your franchising journey is a positive experience, at every stage. You don't have to work it out alone.

## What does the franchise fee cover?

*When making any kind of investment, you'll want to clarify what you can expect to receive for your money. As well as trying to assess the potential return on your investment.*

If you're new to the franchise industry, the concept of the franchise fee may be alien to you. You're not buying yourself a job, and this is not a pyramid scheme. This is a bone fide investment into a business model which you can implement, and scale-up to achieve your own success. So, what can you expect to pay out, and where can you anticipate spend will be needed.

### The cost of starting your new business

Clarifying your financial position will help when planning your financial considerations as you start your new business. This can also help you assess when you hope to see a return on your investment.

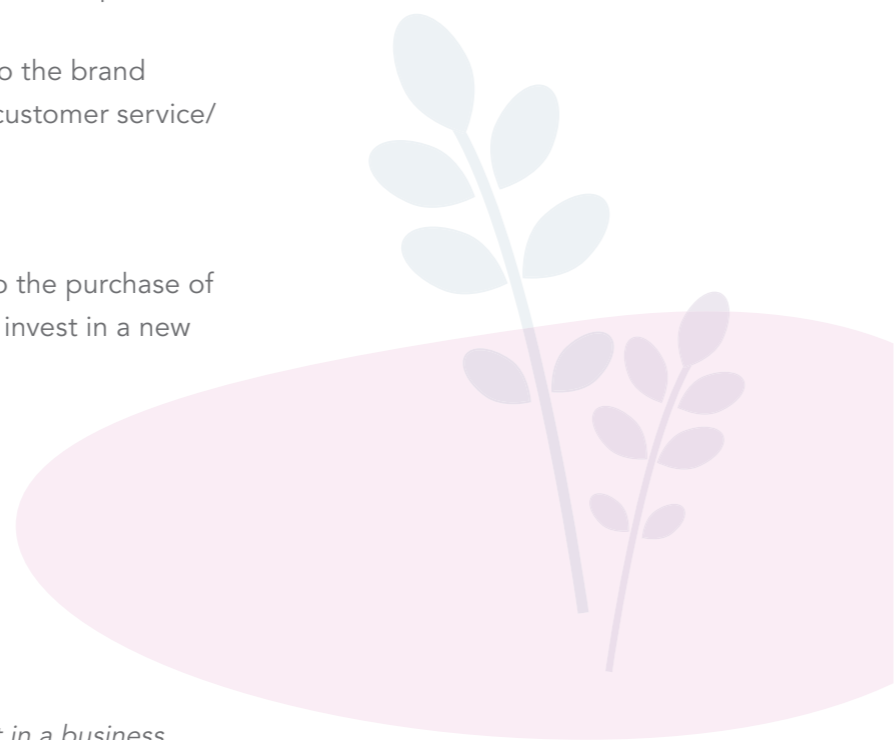
### The franchise fee

A typical franchise fee, payable to the franchisor, will include, where applicable to the business:

- Legal right to use and operate as part of the brand
- Training on all aspects of how the brand works and operates
- Use of and training on how to use the systems and processes unique to the brand
- Training on business management unique to the brand
- Some training for staff on sales/marketing/customer service/ classes etc.
- Launch marketing for your new business

**Please note:** The franchise fee doesn't apply to the purchase of a franchise re-sale\*, and only applies when you invest in a new franchise territory.

*\* A franchise re-sale is when you choose to invest in a business which has already set-up by an existing franchisee. The cost of this type of franchise will depend on a number of variables your franchisor will have taken into consideration, such as its success and future growth potential.*



### Further typical start-up costs, include

- The purchase of:
  - necessary equipment (stationery, machinery, office equipment etc.)
  - stock
- Ongoing marketing costs
- Any necessary property costs, including rent and/or fittings
- Any necessary vehicles (specified whether this is the total cost of the vehicle or the first repayment if on finance)
- Any necessary subscriptions/memberships/licences etc.
- Staffing costs
- Any other element for the initial launch of the business

This figure does not include:

- VAT
- Working capital
- Minimum personal investment

### Financing your franchise start-up

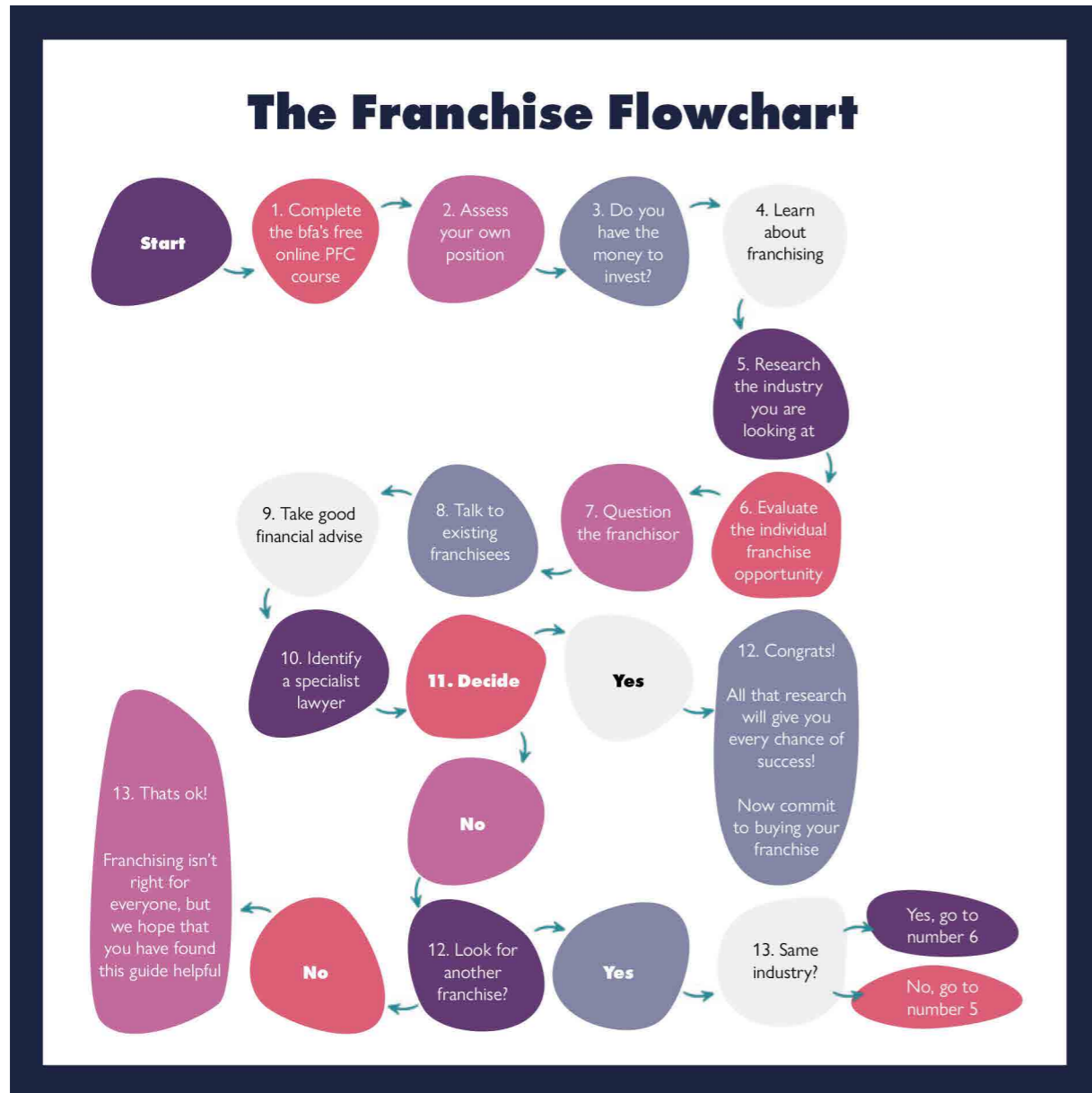
You may be able to cover the total start-up costs of a franchise purely from your own savings. However, in many cases, a loan will make up part of the finance. When this is the case, most franchises will want you to contribute a minimum percentage of your own cash as part of the total finance. This will also be stipulated by the bank as part of their lending policies (most banks will require at least 30% of the total cost to be personal finance).

## How do I know if franchising is really right for me?

Overcoming the fear of the unknown and assessing any risks, can help you feel more confident about the decision you are about to make. Our handy guide can help.

As we said earlier in this guide, there are no guarantees about many things in life. However, by taking your time to understand the benefits and pitfalls of franchising, reaching out to expert support available to you, and identifying what your next steps are you can gain the advantage of making an informed decision.

As a useful guide to knowing whether franchising is right for you, the below chart can help you assess how you feel about franchising, help guide your decision-making process and direct your next steps:



## Next steps

So, you've decided franchising is an option you want to look more into, which is great! In order to help you, we've outlined a couple of ways you can start your franchise journey.

It can often be difficult to know how to start a new course of action. In recognition of this, the bfa developed a free educational course for prospective franchisees, like yourself, delivered and written by sector professionals. Hosted online, it's been designed for your convenience, so you can access it whenever it suits you. So, one of your first steps may be in taking the online course which can help you establish whether franchising is the right fit for you.

The course topics include:

- Is franchising right for your investment?
- Appreciating all aspects of becoming a franchisee
- Legal and financial considerations
- The bfa's self-regulatory role in franchising
- Discussions from franchisors on what they expect from their franchisees

After completing the course, you'll receive a certificate. This can be shown to those franchisors you choose to speak with, and shows you have a foundational understanding of franchising.

Register for free on the bfa website [HERE](#)



Another good place to start, is to attend one of EWIF's free Regional Meetings. Here, you will meet franchisees, franchisors, and service providers to the industry, and can speak with real people to gain a clearer picture of what franchising entails. You'll also experience, first-hand what it's like to be part of an encouraging community of people, all of whom want to help you with your franchise journey, and will be happy to share their experiences with you.

Find out when the next meeting in your area, will be here: <https://www.ewif.org/regional-meetings/>

## Section 2: Why franchising is a great option when you're looking to grow your business

### How does franchising help me scale my business?

*Following on from our discussion on page four of this guide about the basics of franchising, let's dive a little deeper into how franchising can empower you to expand your business, in an exciting way.*

You have reached a point in your business where you need to make a key decision and invest in your next growth stage? But what are you going to do?

#### **It's time for you to expand!**

You could open more premises, employ more people... but there is only so far you can go, without reaching the same point you are currently at – only on a larger scale. This would also mean you would be using your own finance, to fund your growth.

Or, you can turn your brand into a franchise.

Franchising is fast-becoming a popular growth model for businesses like yours. No longer associated just with fast food restaurants and coffee shops, the franchise industry now represents a wide-variety of sectors. Whatever sector your business operates in, franchising is worth you taking a second look. Within the franchise sector, we have franchisors operating a franchise in domiciliary care, professional services, property, hospitality, children's services, retail and so much more.

#### **The benefit of franchising to you, personally**

Whilst we can't cover EVERY benefit, and would definitely recommend you speak to a franchisor about their journey, here are a few areas you can expect to see break-through, through franchising:

#### **Franchisee's commitment**

From your perspective, as a franchisor, the biggest value in your franchise, is having independent business owners who have contributed their own investment into the business. Meaning you don't have to pay for new premises, extra staff, etc. And, because your franchisee has committed financially, they have something to lose. So, they work harder and care more, about being successful.

**Shared financial risk**

Substantial investment would be required to open multiple corporate units. As a franchise, your franchisees are the ones who are committed to opening new units, supported by you, so you grow much more quickly. This enables you to meet increasing demand, through the franchise network, and increases the brand value; not just where you're based. But, wherever your franchise is in operation.

**A business savvy driven partner**

As a franchisor, you'll identify the ideal profile of someone you'd like to see franchising your business; with careful target marketing, you'll soon attract the right investor. Often franchisees have their own experiences which can prove to be valuable to the evolution of your brand. For example, the McDonald's "Big Mac" and "Drive-Thru" were both ideas which came from a franchisee.

**Collective ambition**

The main advantage of franchising is having a shared goal. When choosing prospective franchisees you'll want to select people who align to your brand's overall mission, vision and values. Then both you and your franchisees will be committed to seeing the brand's growth, social impact and client satisfaction. A burden shared... is a burden halved – and you have fun on your new path, together. If you aren't certain about the genuine benefits of franchising, now is definitely the right time to speak to any of us within the franchise industry, and see for yourself what you can achieve.



"Being a franchisor has given me the ability to extend the reach of our brand, and as a franchise network, we can pool our knowledge, for greater impact. For example, for marketing purposes, we benefit from the local knowledge of our franchisees, and they benefit from a Head Office national approach. Both ensure we capture the needs of our audience."

**Sue Tumelty Founder and Executive Director of The HR Dept**

# What do I need to consider, if I do become a franchisor?

*If what you have read so far appeals to your sense of business-savvy development, what do you need to have in place, if you going to turn your business into a franchise?*

Whilst franchising is a great industry to join, turning your business into a franchise will require a great deal of thought. But, as with most things within our industry, there are people and organisations to whom you can turn for support and guidance.



"Franchising a business is not easy and can be costly if done it wrong," explains Pip Wilkins, Chief Executive of the bfa says. "If there is one essential piece of wisdom I can share with you, it is this: Make sure you get the right advice from day one! We have a wealth of knowledge and experience at both the bfa and within EWiF, available for you to tap into. So talk to us. We're here for you. Let us help make franchising your future."

So, to help guide your thinking, and any future conversations you start engaging with, we would suggest you reflect on the following considerations:

### Do you have a proven and viable business model?

You will need to be able to prove to prospective franchisees, your business is successful, and not just an idea on paper. Before they invest in your franchise, they'll want evidence the model genuinely works and will deliver a profit back to them. Franchising is not a tool to fix a bad business. It's a model used to replicate a successful business.

### Is the business transferrable?

Can the business be easily replicated in multiple locations, by people following the same system and brand you have created? Can you teach your franchisees to do what you do? Whilst your network will have a range of skills and experiences, which can enhance your brand, there is little point in having a franchise only a handful of people who are like you, would be able to run.

### What documentation will you need?

To franchise your business, you'll need to develop two vital documents:

1. **Your Operations Manual** will show franchisees how everything must be done in the business. It covers sales and marketing, through to the finances and operations. This will be your brand's bible, the 'how to' guide of your business and will need to be regularly updated as your business and brand evolves.
2. **Your Franchise Agreement** will set out how the relationship between yourself and your franchisees will work. This is the document that is there to protect your brand and business system and will clearly set out the rights and obligations of all parties so it is key to get this right from the start!

You will also need to create **Your Franchise prospectus**. This will provide:

- A clear view of the costs needed by someone looking to invest in your franchise, along with your package details
- Projections, containing a disclaimer to evidence what they are based on
- Your plan for onboarding new franchisees, and the ongoing training & support they will receive from you

**There are people within franchising who definitely know how to help you achieve these, and more. Don't try to work it out alone, make use of the those who have devoted their careers and services to support new franchisors, like yourself, make your business even more of a success.**

# What will be expected of me as a franchisor?

*There are different types of expectations and demands put upon you, as the leader of a franchise network. None of which should be beyond your capabilities – look how far you've come already!*

Becoming a franchisor, and supporting a franchise network, is very different to running a business for yourself, by yourself. There are different expectations of you – and it can feel a bit overwhelming when you don't know what people expect from you. Which is why we are 100% in favour of you not feeling alone in all this. We will always recommend the importance of seeking out expert franchise voices to guide you, be a listening ear, or be more hands-on in their support of you.

However, as a starting point, we wanted to offer some guidance of what is required as you move into position as a franchisor, not just a business owner.

You will:

**1. Be responsible for the growth of your network.** This means thinking through how you want to allocate your territories, so they're fair for each franchisee, as well as the kind of person you want in your network. Then look for and select franchisees who fit your profile. This is done through the right marketing strategies, your Discovery Day, and asking the right questions when people show an interest in joining your network.

**2. Need to protect your brand and reputation.** This means you'll need to enforce standards across all your locations, and deal with issues like a weaker franchise – which may due to a lack of confidence, or not fully understanding the training or the model. Franchisees' actions impact the whole network. So, you want people who care about your brand as much as you do.

**3. Develop your products and/or services, and the franchise model, as you grow.** This was highlighted for a number of brands during the 2020 pandemic, as they adapted their offerings for consumers, and/or pivoted to meet online demand. You will need to keep guiding your brand, and network, forward.

**4. Constantly look for ways to improve your franchise operating system.** You want your brand to have longevity, which means you need to evolve with the changing expectations of your franchisee network and customers. To begin with, you should expect to make some tweaks as franchisees start to follow what you've created.

**5. Provide your franchisees with training for running a business, and to run your franchise.**

Training isn't just given at the beginning of your franchisee's lifecycle, you'll offer ongoing support and training, throughout. Think of the core components needed to run your business, then devise a training programme, accordingly.

**6. Create marketing strategies for use across the network.** You'll already know marketing strategies you used, which helped to promote your business. Armed with this knowledge, and with the support of franchise marketing specialists, raise awareness of your franchise on all platforms, across all territories, to increase customer traffic for the network.

**We're here to help!**

Before you start worrying... here are a few other ways to help you understand the role of a franchisor: Attend any of our events – like the bfa Empowering Women in Business conference, or EWiF Regional Meetings – which provide both excellent networking opportunities, and inspiring content. Join 'The Franchise Collective' on LinkedIn for access to industry insights, run by the bfa. Speak with franchisors who operate in a similar industry to you – they may give you a deeper insight into operating a franchise in your sector. Connecting with the franchise press can provide an avenue for promoting your new franchise. And finally, have fun along the way – the annual EWiF Awards includes a category for New Franchisor of the Year because we understand the challenges you face!

## OK... this all sounds great, but let's talk money!

*You're a business owner. You already know spending money in your business is an investment for the future. So, let's talk about the financial considerations for becoming a franchise.*

Whilst there are people to whom you can freely speak to, there will come a time when you will need to put your money into action, and start to make your investment work for you.

You can find franchise specialists on the bfa website, who work alongside you, or undertake some elements of the work for you. They are bfa-approved, so you benefit from peace of mind, knowing we have already checked them out, for you.

But, in the meantime, here are some other considerations around finance, for you to reflect on:

**What should you be asking yourself?**

- What will it cost me to turn my business into a franchise, and what should I charge to make a sensible return?
- What price will the market stand, and what can I afford to spend, if I am to make the business profitable?

In franchising, you must address these questions both from your point of view, as the franchisor, and from the point of view of your franchisees.

**Get the financial model right, now**

You're in business to make money! So, there's no point in choosing a growth strategy which won't maximise your profit potential. Some franchisors would be more profitable if they owned some of the outlets themselves. However, they wouldn't have grown to a 50 or a 200-unit chain without using franchising as a route to growth.

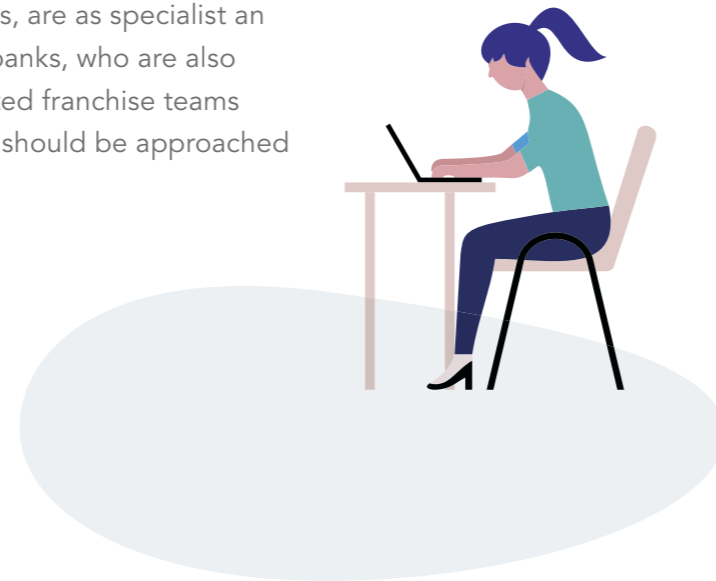


**Potential risk areas**

In constructing a viable financial plan for franchising a business, do not:

- **Underestimate your initial costs** and the associated financials
- **Overestimate** the early growth rates when you're just learning how to attract the right prospects
- **Assume you should make any real profit element on the initial fees** Profit should be derived from your franchisees running successful businesses, rather than their initial investment.
- **Over-inflate fees.** Continuing fees, calculated as a percentage of turnover, are preferable. However, inevitably, some product distribution franchises rely on a mark-up on goods supplied.

The financial aspects of franchised businesses, are as specialist an area as the legal aspects. Many well-known banks, who are also accredited members of the bfa, have dedicated franchise teams who completely understand franchising, and should be approached directly.



## Choosing the right legal representative

*There are many lawyers who claim to understand business law. But franchising law is a unique area, with specialist legalities. Your business lawyer may not be right as you move into franchising.*

When you own a business, you may have needed to engage the services of a reputable law firm to help you. This may have been for something like checking your employee contracts, or more complex, around rental agreements or trademarking your brand.

However, as you transition your business into a franchise, you will need to ask some probing questions of your legal team, in order to make sure you have the right legal backing. There is no room for trial-and-error when it comes to the legalities of starting a franchise. You wouldn't hire a property lawyer to handle your divorce, would you.

### The first thing to know is: Franchising law is specific; it requires a franchise expert

There are very few solicitors in the UK who are sufficiently familiar with the complexities of franchising. Even fewer have the necessary skills to advise you on the best way to structure something like your Franchise Agreement. Solicitors who specialise in franchising law do exist within the UK franchise industry. They will support you with all aspects the legalities around starting and growing your franchise, from franchise agreements to litigation.

### What is the franchise agreement?

The Franchise Agreement is not a sales brochure. It is a legal contract, so must be fair and comprehensive for all parties. Unfortunately, there is no such thing as a 'standard document' which fits most franchises. Your business is unique, so your Franchise Agreement must be tailored to the requirements of your franchise business.

A good Franchise Agreement will ensure the obligations and rights of both parties – i.e. franchisor and franchisee – are set out as required. Be aware, your final contract is likely to run to 40+ pages.



**It is normal for a Franchise Agreement to be weighted in favour of the franchisor**

Whilst the contract needs to be fair and comprehensive for all parties, this doesn't mean it is an equal balance of rights and obligations between equal business partners. As the Franchisor, you are responsible for the network as a whole – and, sometimes, this can mean acting against the interests of an individual franchisee, for the greater good of the network.

Franchise Agreements have been developed over 20 or more years to ensure franchisors have the appropriate rights to do their job, within a framework of fair and reasonable treatment for franchisees. This is why working with a franchise lawyer is essential, as they will understand all these complexities. They will help to ensure your Franchise Agreement is as it needs to be for the future security of you, your brand, and your network.

If you want to feel confident you've found the right legal professional, we strongly recommend you look for a bfa accredited UK Franchise Lawyer. They can be found through the bfa website – and usually display a bfa Approved badge on their websites and documentation, to show they understand franchising, and all our industry entails.

## Next steps into becoming a franchise brand

*So, you've decided franchising is an option you want to look more into, which is great! In order to help you, we've outlined a couple of ways you can start your franchise journey.*

It can often be difficult to know how to start a new course of action. In recognition of this, the bfa developed a free educational course for prospective franchisors, like yourself, delivered and written by sector professionals. Hosted online, it's been designed, so you can access it whenever you have time.

The course includes topics, such as:

- Is franchising right for your business?
- How you develop and grow a franchise
- The legal considerations for you as a franchisor
- Business planning, financials and banking relations
- Franchisor case studies

Register for free [HERE](#)

Visit the bfa website to review UK accredited franchise consultants, solicitors, accountants and franchise specialist funding organisations.

You can also attend one of EWiF's free Regional Meetings, where you can meet people to gain a clearer picture of what franchising entails. You'll also experience, firsthand, franchising's encouraging community.

Find out when the next meeting in your area will be, here: <https://www.ewif.org/regional-meetings/>



# Contact us

For further information from either organisation, please click on their contact details below.



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