Tips on Owning a Franchise Business by Jamshaid Hashmi

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1. Be adaptable: It is of utmost important for a franchisor to identify the emerging trends and changing needs of the market, and be able to adapt to them. A franchisor should be flexible and avoid being stubborn about sticking rigidly to its original business model.

2. Market Testing: For a business to begin franchising, it first needs to ensure that there is an existent market for the product or services that a franchisor is offering. A franchisor must test its business concept in order to ensure profitability for its future franchisees.

3. Investment Capital: A prospective franchisor must ensure that he or she has enough funds available to ensure pilot operations, sustain existing business and provide support to future franchisees, until the franchise operations becomes profitable through the royalty revenue stream. It is extremely significant for an entrepreneur considering owning a franchise business, to have realistic financial projections in order to sustain the existing business and thereby set fair and reasonable franchise fees.

4. Develop and Maintain the Right Infrastructure: A franchisor must ensure that he or she has the right infrastructure in place to bring on new franchisees. A franchisor must also consider growth factor, and hence the infrastructure put in place should be able to accommodate the expanding franchise base.

5. Choose the right Franchisees: A franchisor must not make the mistake of bringing on board just about anyone who applies to be a franchisee owner. The selection process should be rigorous enough to ensure that only the franchisees that have the right expertise and skills are brought on board. Being choosy and ensuring a good intake in the initial stages of franchising, would ensure a reputable brand and successful expansion in the future.

6. Nurture Your Franchisees: A franchisor must never loose sight of the fact that it is the franchisees that are the lifeblood of a franchising business model. A franchisor must ensure that the franchisees are getting the support and guidance that they need to succeed, so that they continue to trust the franchise system and put in their best effort to become or remain successful.

7. Communicate Effectively. Like all other aspects of life, communication is key. A franchisor must ensure that there is quality and relevance between the franchisors communication with the franchisees, as extending the relationship and dialogue outside the traditional realm of business can improve chances of success.

8. Keep Up: A franchisor must always be receptive and considerate of the changing market trends and the feedback that franchisees provide.

9. Continuous Training: It is important for the franchisor to understand that franchisees must be provided with quality training and the training should continue throughout their tenure as a franchisee as it will help them keep with the changes in the market and deliver in demand products and services.

10. Behave Ethically: To further instate the trust of prospective franchisees and the end clients, a franchisor must consider joining the local franchise association and follow its suggested business practices and code of conduct.

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