



FRANCHISE VS OWN START-UP!!

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KEY TAKEAWAYS

A. There are Pros & Cons to both sides & depending on one's Risk Appetite one of them sounds right. Which one is that?

Answer depends on the person itself and the nature of the business

B. Franchise owners for sure benefits from being part of a larger and successful corporation which has already written down its "Success Mantra" and all they have to do is to replicate that Recipe.

C. For individuals who believe they can pull it together themselves and who has a great idea and experience in running that can rest their case by going all out themselves instead of believing in someone else to tell you what you already

TAKE AN INFORMED DECISION

When an Entrepreneur is thinking of moving to Canada, this is one of the first questions which comes to his/her mind. And mind you this is a critical question to ask if you don't know what dynamics are at play!

Franchise Business Model: -

Franchise Business gives you an opportunity to buy into a branded and successful business model with a proven track-record, solid supply chain & expert training module which all combined together could be the best building blocks of success and sounds absolutely right. Doesn't it?

But how does it work? Let's dive in a little deeper than this.

Big Picture / Pros: -

A. You get a Turnkey business ready to hit the floor by purchasing a franchise as your "Franchisor" has done his home work and the formula to success is passed on to you when you sign on that "dotted lines".

B. It could be a fully operational location OR starting from ground up location but either ways you would have the backing from a well recognized brand/corporation who is just as eager for your success as you are.

C. Clear Exit strategy as and when you wish to retire or get out of the business. You can always sell your franchise to a new potential franchisee and if your business location is doing good, it could be for a considerably higher price than you invested.

D. You are considered a Brand Ambassador having to play a great role in exemplifying brand values to your customers and your community at large.

What are the Cons? -

- A. Could be an expensive proposition depending on the brands as some of them charge real high costs + high net worth eligibility requirements for a Franchise licence.
- B. Franchise failure rates are really dynamic in nature and depending on brands could vary between 1% - 40% where in extremely rare cases you can't fail 99% or you could fail 40%. It means you need to take a closer look at Franchise models, brand image and their commitments.
- C. Corporate Backlash if something goes wrong at the firm's executive management board or a scandal at senior levels which has negative public sentiments.

Own Start-up Business Model: -

If you have your own idea and if you can turn it into a successful profit generating business model, then you are a perfect candidate for your own Start-up business.

Big Picture / Pros? -

- A. You have the freedom to do what you want beyond the tight scope of business to what it may appear for some when they look at a Franchise Business Model.
- B. The cost of setting up your own business could be considerably less than owning a franchise as you don't have the overheads which a Franchise business may have otherwise. At least you don't pay anyone purchase/goodwill price.
- C. "You are on your own" OR in other words you are your own boss in all its senses.
- D. Dream big and there is potential to roll out your own franchise model to the world one day.

What are the Cons? -

- A. "You are on your own" and this could be a horror factor too for many as they wouldn't have the cushion to fall back on a success formula or a team of backend experts who could guide in rough waters. And if that sounds too much of a burden for you, then "Franchise model" would fit better for you.
- B. Not sure about the amount of money you can make and this is true at least in your Start-up's initial phase. No matter how well you plan your finances, there are chances of it going the opposite way.
- C. The deck is stacked against you if your formula of success doesn't work as its not a proven formula yet and you might spend many hours/days/months before you get that right and in some cases first time entrepreneurs learn it the hard way unfortunately.
- D. Too big a gamble! That could be the case if you are inexperienced and facing it all for the first time.

Bottomline

People prefer franchise models because 8 out of 10 times it works and even though there are costs involved, you are rest assured about owning a stable profit generating business.

Vs

Those with big ideas and solid entrepreneurial skills launching your own business presents financial and business freedom in managing it.

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