

Title:

Three Things You Should Know Before Buying a Business Franchise

Word Count:

349

Summary:

Business franchise refers to the arrangement entered upon by the owner of a certain business with another party who is interested in running same business under its name.

Keywords:

business franchise, franchises

Article Body:

Business franchise refers to the arrangement entered upon by the owner of a certain business with another party who is interested in running same business under its name. In the agreement, the real business owner allows the use of his registered trademark in exchange for some payment.

Business franchising is a strategy a lot of first-time businessmen take because there is lesser risk surrounding the setup. And more often than not, the franchise package includes everything you'll need in launching the business. The business owner provides for raw materials, supplies, equipments, and all promotional materials. And because the business already exists, it becomes easier for the franchisee to build up its customer base.

However, there are some things you should consider before you invest your hard-earned cash on business franchises:

1. A percentage of your profit is paid to the franchisor.

You will be forever under the franchisee agreement for as long as you are using the name of their business. Part of the agreement is to pay the business owner royalties and other related fees. There's no way to go around it.

2. You are allowed to seek support from the franchise owners.

Most business owners are more than willing to provide trainings to their franchisees to minimize errors while operating the business. It is your right as a franchisee to request for meetings with the bosses so they can help you out in

certain things you are not very familiar with.

3. The business owner may restrict your choice of territory, suppliers, and employment policy.

Business owners want to have full control of each franchisee's operation and quality of products. Therefore, franchise owners don't really have much freedom when it comes to where they can get raw materials, equipments, and supplies for their business. This also means that it can be a little hard to reduce overhead costs.

These are the things that you should consider before you plunge into the franchise market. Try to determine if business franchising is for you. If ever it is, make sure you go with the company that's tried and tested over the years.