

Title:

Tips For Starting A Franchise

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Summary:

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Keywords:

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Article Body:

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What Is A Franchise?

The U.S. Small Business Administration says that generally, a franchisee sells goods or services supplied by the franchisor or that meet the franchisor's quality standards.

Starting Up

If you're thinking of starting a franchise, analysts suggest taking a look at the local market and deciding what consumer needs exist. That's one reason many people open auto-related franchises. There are millions of cars in the U.S. and one franchise company, called 1-800-Radiator, estimates that any car older than seven years and with more than 50,000 miles is a probable candidate for a radiator boil over.

The company has turned that fact into profits and it now has franchises across the U.S. The company arranges fast and inexpensive radiator delivery by providing radiators within two to three hours. Their customer base is made up of auto parts stores, mechanics and auto repair shops. In just 13 years, 1-800-Radiator grew from a \$3 million company to one with over \$70 million in revenues. The following can help answer questions about franchising with the company:

Q: Do I need automotive experience or knowledge about radiators?

A: To become a franchisee you do not need any automotive knowledge or experience. The company has spent millions of dollars on systems that give franchisees a competitive advantage. For instance, the franchise's Internet-based system tracks every phone call, mailing, visit and sale for every customer it reaches. That data helps franchises provide better service and helps build a market of repeat customers.

Auto-Related Industries Present A Variety Of Franchise Opportunities

Q: How do I deal with larger competitors?

A: The company has stood up to larger competitors by using its systems to fine-tune its marketing, point-of-sale product database, and inventory management to gain a competitive edge in the market and an increase in revenue, direct mailings, phone blitzes and sales promotions to gain market share.

Q: What happens at start-up?

A: When a new franchise opens, the company sends in a "blitz crew" that calls on all the existing customers and tells them that there is now a new location nearby that will deliver their radiators in the same day.