

Title:

More About Franchise

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Summary:

Many people have been considering owning and managing their own business. Getting into business is their way of achieving their financial goals and needs. Some are also considering getting into the franchising field.

What is franchising? It is the method of entering a franchise agreement wherein two parties agree to do business with contractual provisions. The setting would be, one party has an idea of the business while the second party will do the business of the other p...

Keywords:

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Article Body:

Many people have been considering owning and managing their own business. Getting into business is their way of achieving their financial goals and needs. Some are also considering getting into the franchising field.

What is franchising? It is the method of entering a franchise agreement wherein two parties agree to do business with contractual provisions. The setting would be, one party has an idea of the business while the second party will do the business of the other party and pay for its name and reputation.

Many prefer franchising than setting up their own name. That is because they do benefit from it. One benefit it provides is the speed of expansion that one may get once he has entered the franchising world. There is already a brand image since the company will have one common system that will be followed.

Franchisees may also enjoy from discounts on the supplies and raw materials needed in operating the business. Franchise networks buy in bulk, which makes more room for greater discounts among franchisees. Therefore, if the supplies and raw material are cheaper it will be easier to compete with other establishments.

There is also a greater opportunity for a higher profit. The return of

investment is higher since the return of revenue will be lower. This means that the percentage of pure profit is higher.

Franchisees that are within the network are able to offer knowledge that has been learned based on their experiences in the field. This is a knowledge that is not learned in business schools. Getting connected with experienced franchisees can also help in expanding the business overseas where there are greater opportunities.

Here are some tips to consider when getting into the franchising business.

1. Franchising as a business is a different kind of business opportunity. It is only recommended that a person ask questions first before entering franchising. It is also advised to attend workshops and seminars before entering it. The person should gather enough information regarding the business he would like to franchise.

2. Seek some advice. When in workshops and seminars, the person should grab the opportunity to seek advice from those who have enough experience with franchising. Seminars are a good way to connect with many franchisees and they can help a lot in giving advices that is based on their experiences.

3. A person that is considering the franchise business should also beware of scams. People who enter this field should be aware of the pitfalls and challenges that may be encountered in the process. There may be many offers for franchise once they have learned that the person is interested in it. However, he should be careful enough in choosing which business to franchise. A research on the stability of a certain company is recommended. He can also try a background check of the person offering the deal.

4. The person should be able to learn lessons from past decisions made in this field. Lessons learned might not be from him but from others who have encountered wrong decisions. One major lesson that has been learned by franchisees is that big companies and brand names offer limited and flexible negotiations in the franchise system.

When entering into the franchise business, there will be a lot of opportunities for greater profit. However, one should also be prepared on the challenges that may be encountered. It is important that one is dedicated and prepared in order for the franchise business to be successful.