

The Benefits of Franchises

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The Benefits of the Franchise Model

For those unfamiliar with the franchise model, it's a good time to understand the benefits the franchise model can offer. Franchising offers benefits to both the franchisor (seller) and franchisee (buyer).

For the franchisor the main benefit is you use others money to expand ones business quicker than can be done on their own using lenders or investors. The franchise fee that is initially collected and the continuing royalties that the franchisor collects allows the franchisor to build their brand name and not have to sacrifice control to any investors or to have to worry about repaying lenders.

For the franchisee, the benefits include:

- * A much higher likelihood of success than as an independent business
- * A shorter time frame to open your business
- * Aid in finding the perfect site
- * Training
- * Ongoing support
- * Brand recognition for increased selling power
- * A proven business model
- * Lower costs for goods and supplies because of group rates
- * Customer lead generation
- * Regional and national advertising campaigns
- * Franchise network
- * Annual conferences
- * Newsletters
- * Easier to secure funding

A franchise has so many benefits because it's already been through the trials, successes, and failures that come with a new business. From there it has grown into a prospering business that eventually decided to franchise. When you open up an independent business, you will face those trials and errors on your own. Sadly, it's the biggest cause of small business failure next to inadequate working capital. Did you know that more than 85% of all small independent businesses fail within the first three years? When you invest in a franchise, those numbers change. The majority of franchise businesses are still profitably running five years later.

Of course, franchises have some downfalls as well including

- * Restrictions on everything right down to the wall paint
- * Mandatory promotions
- * Required redesigns that are expensive
- * Change in direction after building a business around the old direction

While there is no guarantee of success with any business including a franchise. The likelihood of success is much greater with a franchise than with an independent business. You are also far more likely to enjoy significantly higher profits, and you will find yourself immediately in a position of being recognized once you open your doors, thanks to the brand recognition that has been created in the past. It is this brand recognition that will get you better lease locations and lease rates, better cost of goods pricing, better employees, and loyal customers – all the makings of a successful business.

Franchising Benefits Outweigh Franchising Risks

To buy a franchise or not to buy a franchise – it's an age-old question many have asked themselves. Franchising has existed in some form back to very beginning when man engaged in some form of trade. In the middle ages, it was simply a granting of privilege. Today it involved complex franchising agreements and sophisticated business formats. There are thousands of franchising opportunities ranging in cost from a mere \$20,000 to excess of \$200,000.

In today's world, it's not easy for small business to be successful, let alone make it big. There are endless problems and complications, huge amounts of competition, and powerful chains that squeeze out the small guy. Franchises significantly level the playing field.

With a franchise, the franchiser of a business concept grants the franchisees a license to own and operate a business that is based on the franchiser's trademark, business concept, and business system. The franchiser aids the franchisee in starting his/her business, assisting with selection of the site, providing training, inventory ordering, marketing support, advertising, etc. For all of this the franchisee will pay a franchise fee initially and then royalties fees and other fees.

Starting any new business is a high risk venture. Franchising minimizes your risk. Nearly 90% of all small business startups will end in failure during the first three years. With a franchise, the learning curve is far less steep and everything is already tried, tested, and known to work. This reduces the guess work and dramatically increases your likelihood of success.

Franchisers offer a defined business format that is proven to work. But they also offer branding of both products and services, and the business name, something that is very difficult to build on your own. For example, McDonald's is a name that's recognized around the world.

Another good reason to consider a franchise is that you can thoroughly research the franchise before you invest any money. There's all kinds of information available and the franchisees offer tons of information about their business.

When you are part of a franchise you get the buying power of the franchise so you can purchase products and supplies for significantly less. With a lower cost of goods you can enjoy higher revenues.

With the experience of the franchise management team there to support you, there's for less that can or will go wrong. Buying a franchise is a bit like being an artist using a paint by number. You can a step-by-step guide to a finished product.

Multi Unit Franchising

The goal of all entrepreneurial franchise owners is multi unit franchising, because that's how you will get wealthy. There are a number of benefits to multi unit franchising compared to single franchising. Let's look at those benefits.

1. Territory Protection – In many cases, the franchise will let the franchisee purchase the rights to a complete territory for a set upon price. This can protect your business interests into the future when someone else might come along, buy territory near you, and steal your sales. Not every franchise offers this type of opportunity but it's worth asking about and definitely worth considering if it is available. Often the additional franchise territory is offered at a lower price.

2. Economies of Scale – Refers to the cost advantage when a business expands. In the case of a multi unit franchise the operating of a number of stores provides economies of scale benefits. For example, transportation of goods costs to one location are x number of dollars. When you have multiple units the transportation of goods costs can be spread between the locations. Therefore, the vehicle costs remain the same but the value to the stores actually increase.

3. Marketing – When you own a number of franchises in an area you can take advantage of a shared advertising budget, which can reduce your costs significantly. For each dollar you spend on advertising you will get an extended reach benefiting

4. Breed Familiarity – Every franchise and the brands associated with that franchise have their own specific processes. When you run more than one franchise you perfect the processes. You also breed familiarity on the customer side who begins to have brand recognition (a benefit of franchising in general) and is more likely to support your business. For example, Starbucks has a process that is used in making all of their drinks. When you open your second store you will not make the same mistakes on setup and will save yourself on your initial investment to get to operational stage.

If you are inexperienced in the franchise world don't get too far ahead of yourself. In other words don't jump into a 5-store franchise agreement because it sounds like a great deal. Start with one store, grow it, see it prosper, and then move ahead. Instead have an agreement in place that gives you first option on the territory at a later date. Give your new franchise the time it needs to be successful and then move forward.

Learn What the Franchise Experience Has to Offer

Many franchisors are operating companies that have been in business for several years, are well established, and have years of experience. Some franchisors began by running their own successful business. However, it's important to note that a successful entrepreneur may not be able to successfully manage a franchise system.

Therefore, you should ask some questions. Find out how long he/she has been managing the franchise system. You will have to decide if you feel comfortable with the level of expertise. When the franchisor has the necessary expertise, the franchise experience can be a very positive experience.

A growing franchise will increase brand recognition and name recognition. As the franchise grows, the number of people that are attracted to that brand name will also grow and that has a great deal of potential for franchisees coming on board. However, if a franchise is growing too fast the support system may not be able to keep up. Do some investigating and learn what

resources the franchisor has available and what their financial assets are. That way you'll feel confident they can support their franchisees.

Scout out the perfect opportunity. There are all kinds of franchise opportunities – thousands. Some franchisors set up a trade shows or expositions, others use websites to promote their franchises, still others use franchise brokers. So be sure to check all the avenues where you can find franchising opportunities.

Franchisors should be willing to provide you with as much information as you want. You'll want to know how long the franchisor's been in operation, how many outlets there are and where they are located. You'll want to know what the initial franchise fee is, what royalties you'll pay, whether there are any additional start up costs, and what you are responsible for paying.

Franchisors provide a great support and training, which is an invaluable tool. When combined with a proven business strategy you can quickly realize why franchisors are much more successful than independent businesses. A franchise also offers you the opportunity to buy goods and supplies at a significantly reduced price negotiated by the franchisor, yet another powerful tool in the world of business.

Whether a franchise is right for you – only you can decide. However, before you make your decision, it would pay to spend some time looking at franchise opportunities and what they have to offer. For as little as \$20,000, you can have your doors open and a full team supporting you. Certainly something to think about.

The Franchise Model

A strong franchise model offers you the opportunity to operate a business that has a very high likelihood of being successful. A good franchise model will provide you the franchisee with business training, business support, and business systems necessary to meet the expectations of the customer or client. The goal is for each franchisee to achieve business success at the individual level, by providing the opportunity, a proven business plan, and the tools to be successful. Let's look at some of the benefits of the franchise model.

The Use of a Recognized and Respected Business Model

While not all franchise, models are created equal, if you've done your homework you've found a business model with a proven track record, a high level of customer satisfaction, a place where employees excel, and a company recognized in the community. What this means for you is that the hard work pertaining to trial and error has been done and the franchisor has built a franchise model that is highly effective and successful.

Own Your Own Business

As a franchisee, you still work for yourself, build your business, and enjoy the prestige of owning your own business. You simply have more tools at your disposal and a much higher rate of making it than the person that goes it alone.

Tested Business System That Works

A franchise offers you a comprehensive business system that works. This means you are in a position to see success because the hard work has been done for you. You have a solid foundation to build on.

Lower Start Up Times

When your business is a franchise, the time to actually get your business up and running is significantly less. The sooner your doors are open to customers the sooner you are making money. With a franchise all the guesswork is gone. You will have a wealth of resources and support as you begin the process of opening your franchise, whether that means constructing a building or outfitting a building. There's no need to shop around for equipment or even try to decide what equipment is right. All that work has been done for you. Everything will be delivered to your door.

If you are considering opening your own business, it's important for you to know the benefits of the franchise model. There are all kinds of franchise opportunities out there – something for almost every budget. Be sure to look at all your options as an entrepreneur before you make a decision.

The 6 Best Benefits Of Franchising

Franchising statistics have left many wondering why they haven't invested in franchises sooner. Every year more than 70,000 billion are generated in franchise outlets. Franchises have become an acceptable business form that's recognized for its profitability.

Around the world, entrepreneurs are choosing to buy into a franchise rather than starting a new business all on their own. When you invest in a franchise you get all the market research, market surveys, and the business plan is ready to put into action. A franchise can be profitable and you get to be your own boss, but with the guidance of the franchise. Let's look at the best 6 benefits of franchising.

1. When you invest in a franchise you get all the support you need in relation to accounting, deployment, staff training, customer relations, and marketing. They will also provide you with support in your day-to-day business operations. You will become a part of a global network but still be running your own business.

2. When you buy a franchise, you are investing in a business that is flourishing. All aspects of the business module are solid and problems have been ironed out long before, so what you are provided is a readymade business package that just needs you to run it.

3. The expansion of your business will occur in a collective group environment and will be carried out as a unit. The think tank and the professional consultants that are working behind the scenes for the good of the entire franchise allow you to benefit too.

4. Businesses always have problems that arise. With a franchise, solutions are always readily available. The franchise chain provides all kinds of resources, assistance, and technical support. The franchise chain functions as a single unit as far as the group branding, advertising, machinery, and technology.

5. Product research, future plans, activity expansion, buying power, market surveys, etc. will be conducted as a chain and you get to enjoy the benefits. The associated risks are collective and not born as an individual business.

6. Franchise staff are trained to franchise specifications. Here the best is brought forward. The training has already had all the kinks worked out.

Business gurus from around the world are quick to explain that the franchise business module is the most dependable and the safest for an entrepreneur. "A business venture can make your dreams come true or it can turn into a nightmare. A franchise will make your dreams come true. You'll run your own business but without all the heartaches and unknown factors.

Franchising Opportunities

Fear of failing and long hours keep many who would otherwise venture into business from pursuing a business venture. Business success requires dedication. The failure fear can be significantly reduced if you chose franchising. A franchise is a business that authorizes the sale or distribution of company products and services in a certain location. There are many franchising opportunities and they offer many benefits.

You will benefit from the experience and work of other before you, who have invested thousands of hours creating a business that would be successful. When you start a business, on your own, there are many problems and difficulties that will arise and you won't have the answers. Much will be solved through guessing and experimenting, which can really hurt your bottom line, even put your business success at risk. With a franchise, most common obstacles that you would face have been addressed and you will benefit as a result. With a franchise, you are in business for yourself but not by yourself.

A franchisor also gets superior training. One of the best ways to learn skills is from another party who has already mastered those skills. When you are in your business on your own, it's highly unlikely you'll have access to these types of resources. When you are a franchise owner, you have those skills from the masters at your disposal.

Franchise educational methods vary but most include bookkeeping, management of employees, product and/or service distribution, building leases, inventory, location, and more. The best training programs will send someone to your location to work with you and to help you get your new franchise off the ground. That person will stay until you feel comfortable you are ready to run your store.

Another franchise advantage is the marketing support you will receive. When you are a franchise owner, you never have to be a marketing expert because the franchise has experts. A

portion of your fee goes toward your franchise advertising and marketing. The marketing program is one of the biggest benefits you experience as a franchise owner.

Franchising has definitely evolved. What was once an industry with only McDonalds, Subway, and Starbucks franchises; today there are thousands upon thousands of franchise opportunities. With a franchise you much more likely to secure the territory that you want, and many times you will get the quality franchise for less money than the better known competitor.

Franchises are a modern way of owning your own business but with fewer risks. You can be a success thanks to the research an experience of others.

The Benefits of a Minority Owned Franchise

Franchises have grown in popularity over the last few decades. Today there are thousands of franchise opportunities. A franchise is a great way to have a blueprint for you to start and operate your own business. According to the International Franchise Association Educational Foundation, 19.3% of all franchise are minority owned. These minorities are made up of women, and a number of different ethnic backgrounds. A minority owned franchise offers extra benefits.

Create Jobs in a Community

A number of minority franchise owners opt to open their business in the community they live in. This is often a neighborhood where other minorities live and work. It is estimated that franchises create more than 300,000 jobs each year so you can quickly see how a minority operated franchise in a neighborhood can play an important role in reducing unemployment rates.

Special Financing for Minority Franchise Owners

Minority franchise owners have expanded into areas that previously lacked minority business owners. According to the References for Business, some franchises offer special financial opportunities to minority owners. Some franchises also work in conjunction with minority organizations. This tends to create an important society boom.

Achieve Goals

Minority entrepreneurs operating successful franchises are able to meet their professional and personal goals and achieve the lifestyle they desire whether that means spending more time with family or jet setting around the world. There is a franchise opportunity that will allow you to meet your goals.

Expands Cultural Reach

When minorities own and operate franchises, it also presents the franchise with an opportunity to expand its audience and meet the needs of a number of cultures. For example, Domino Pizza created a marketing campaign that targeted Hispanic franchisees. The same is undertaken to target specific minorities in the consumer market. The widened reach is beneficial to all parties. The franchise expands into an otherwise untouched market and as more minorities take

franchises into their neighborhoods, it benefits other minorities who may be considering a franchise as a business opportunity.

Benefits of Franchises

1. Name and brand recognition
2. A proven business plan
3. Deeply discounted stock and supplies
4. Plenty of training
5. Ongoing support system
6. Marketing and Advertising campaigns create local customer base
7. Franchisor will choose the right location for your business
8. Should you wish to sell in the future the franchisor will help you find a buyer

A minority owned franchise offers a number of benefits and it certainly provides a solid business platform for anyone looking to get into business with a little more certainty and a higher likelihood of success.

Do You Know Why Buying a Franchise is Smart

Franchising is the fastest way to own a business and it's also the safest way to start a business. When you buy a franchise, you avoid the mistakes and risks that an entrepreneur faces. As a franchisee, you are paying for experience and expertise. You can get great value by investing in the right franchise.

Purchasing a franchise provides an opportunity for you to obtain an already established name with plenty of goodwill. As an independent business owner it can take years even decades to achieve this type of name recognition.

Our modern world has businesses located everywhere. Many of the prime locations are not available to a new independent business. However, buy a franchise and even without any business experience, you can easily land a spot in the most popular shopping mall in your town or city. Why? Because the franchise itself is already established.

The buying power of franchises is generally excellent with significant cost savings. As a franchisee, you'll have an edge on the competition and you'll be able to improve your profits. The advertising campaigns have large budgets associated with them, and can significantly improve your revenues. As an independent, you would not have this type of budget.

There are few small business owners that have any money left for research and development. On the other hand, franchise owners have the research and development done by the franchisor available to them and they will enjoy the benefits of that research.

When you invest in a franchise, you have support system of the franchisor behind you. This includes training, setups, staff training, etc. You also have a support system whenever you have questions or if you run into any problems. A small business owner learns through trial and error and too often that results in business failure.

When franchising is done correctly the franchisor and the franchisee both come out winners. Landlords, suppliers, and consumers also come out winners. Consumers can be confident they are getting quality goods and services, better pricing, and excellent customer support. The landlords can expect increased traffic and fewer lease defaults, and suppliers can enjoy high volume purchases and receivables that are secured.

If you have been considering opening a business, you should take the time to have a look at the franchising opportunities that are available. You may be pleasantly surprised to learn you don't have to do it from scratch, that you can enjoy the expertise of others to grow your business.

Top Benefits of Investing in a Franchise

Are you thinking about starting a business? A business model you should think about is the franchise model. A franchise company is a company that allows third parties to buy and operate a store under their business name. These are called franchisees. They are allowed to use the brand and the name. They are provided with a business plan that works and lots of support. For this, you pay an initial fee and then royalties to the franchisor.

MacDonald's Restaurant is one of the most well know franchises on the planet. There are many benefits to investing in a franchise, but you should always talk to your legal advisor before you sign any contracts, which are legal and binding. Let's look at four the main benefits of franchise investments.

1. You are More Likely to Succeed

When you start a business on your own, there is a lot of trial and error, and the failure rate is almost 100% in the first five years. However, when you invest in a franchise you are given a business model that has been tested and is known to be highly successful. As a result, the likelihood of you operating a successful business goes up significantly.

2. Franchisor Support

The franchisor supplies you the franchisee with all kinds of support including marketing, staff training that's ongoing, technical support, and a host of other support. You will also be supported with organized brand programs and incentives. For example, you'll receive supplies at a significantly reduced cost because of a deal the franchisor has made with a supplier.

3. Customer Appeal

Customers are drawn to brand recognition and name recognition. It's a lot easier to bring customers in and sell them your products because they are already aware of them thanks to the franchise branding. For example, you might recognize the company name, as is the case with McDonald's, or perhaps a product as is the case with Tim Horton's coffee. It's a lot easier to make the sale when the customer feels confident in what you are offering.

4. Easier to Obtain Financing

Borrowing money to start a new business is often difficult. Banks are far more likely to approve loans for franchise businesses because they know the likelihood of success goes up

significantly, which lowers the risk of defaulting on the loan repayment. With a known brand and a successful model, you'll find it easier to obtain financing.

What the Experts Say About Franchising

There are all kinds of reasons why franchising is considered an excellent business option. There's no need to create the brand, the business model is tested and works, you don't have to worry about advertising, and you have all kinds of help available to you. You always have the franchisor's support but you also have your own business where you are the boss. You can enter the franchise market for as little as \$20,000 up to over \$200,000. With a franchise you have a blueprint to success right at your fingertips.

According to a recent study 93% of all franchisees were running a business that was profitable. The franchise industry is currently worth billions and it continues to grow every year. The failure rate of franchise businesses is significantly less than that of independent businesses.

An article appearing in Franchisor News, in March 2008 quoted two respected franchising experts.

Graeme Jones, Head of Franchising, NatWest and Royal Bank of Scotland says, "There are now some very well known brands involved in the franchising, which is a good barometer of the strength of the industry."

Richard Holden, Head of Franchising, Lloyds TSB, says, "Commercial failure rates for franchisees are significantly lower than reported figures for independent businesses... The economic climate has altered many times over the years and franchising still remains an attractive option for both new and existing franchisors."

Franchising allows you to open your doors and begin building your business and generating revenue. Because you have name and/or brand recognition it's pretty easy to bring customers through the door. Your business is based on a successful business platform and you've got all the resources any entrepreneur could ever ask for. While no business adventure is full proof, having all this going for you certainly puts you in a far better position than the entrepreneur who decides to go it alone and open a business on his/her own.

Each franchise agreement will be different. It's a good idea to go over the agreement with your attorney before you agree to anything or sign anything. You should make sure you face no surprises down the road. So what does it cost you to get all these resources and a plan for success? It costs you your franchise fee and it costs you royalties. There may be other fees depending on the franchise. Considering what you get in return many experts feel this is very fair. In these tough economic times franchises look even more appealing.

Reap the Benefits of Investing in an Educational Franchise

There are all kinds of franchise opportunities. Since the recent economic downturn, businesses have been facing a variety of challenges. But if you have an entrepreneurial spirit, you should consider a franchise. One of the latest franchise opportunities to draw attention has been the educational franchises.

One of the strongest features of a franchise is the proven business model and the support from the parent company in training, sales, and marketing. This allows you to quickly establish your business. One of the largest franchise markets is with educational franchises.

Parents are demanding educational and tutorial opportunities that can support their child's learning and enhance their abilities. There are a number of excellent education franchises presenting a solid learning methodology that works exceptionally well for teaching young children through to older children. The possibilities are many.

What makes an educational franchise work? Glad you asked.

1. Learning Should be Fun

There are many educational franchise opportunities. Some are tied to the core subjects such as English and Math, which will always have a need. However, there are other educational needs that are occurring including Science, the Arts (drama and music), and IT related franchise opportunities.

What Type of Person is Suited to Operating an Educational Franchise?

You should have strong management skills, marketing skills, a desire to have your own business, and financial competence. You should also have a passion for children and helping them reach their full potential. It's this passion that will drive your franchise through those tougher times.

Men and women alike make good educational franchisors, although it does seem educational franchises are popular with mothers who are returning to work looking for flexibility. 2010 stats indicated that 34% of educational franchises were owned by women, up 14% from the 1990s.

Have You Done Your Research?

If you think an educational franchise would be right for you, it's important to do some research including the geographical location you are planning to base your franchise from. There may already be franchises in the community, who are already established. You should also explore the local schools to see if there may be opportunities to partner.

Ask About Franchise Support

This may one of the most critical components of your franchise opportunity. It's important that you speak with the franchisor to learn what type of support will be provided before you enter into a franchise agreement. What type of training, business guidance, staff training, etc. will be

included as part of your franchise agreement. You should also not sign an agreement until you have had your legal counsel review it.

Do You Know the Advantages of a Franchise?

These tough economic times have left many people unemployed and feeling out of control over the lives and their careers. These are difficult times and many are looking at opening their own business as an alternative to unemployment.

There are three options for owning your own business:

1. Start a business from scratch
2. Buy a non-franchised business
3. Buy a franchise business

Franchising has been around since the dawn of time in one form or another. Compared to an independent business a franchise has a lot to offer. Let's look at some of the advantages of a franchise.

Franchising focuses on minimizing your risks and maximizing your returns. When you choose to buy a franchise, you are in business for yourself but not by yourself. A top-notch franchisor will provide a solid business system, proven research and development, instant credibility, recognized marketing methods, extensive training, and ongoing support. All these work to reduce your risk and help you quickly build a successful business.

When it comes to franchising it's not about the little picture, it's all about the big picture or the big idea. As an entrepreneur, you may have all the energy, ability, and ambition needed to succeed; however, you may not have a persuasive concept you can sell, so your business falters and goes nowhere. As a franchise owner (franchisee), you are in a position to leverage innovative products and services.

When you start a business on your own there is a huge learning curve for every type of business. When you buy a franchise, the franchisor already has all of this in place and now they are going to share all this information with the franchisee. You as the franchisee succeed because of the franchisor's resources. Their business plan and business strategy are already a proven success, and you as an entrepreneur simply need to adopt these practices to enjoy success. There are few independents can say that.

The cost of starting a business from scratch can be very high, and so can a franchise. However, the difference is the franchise has a proven track record and the independent business is learning through trial and error, which can be very costly.

Franchising is not right for everyone and no business model is perfect. Franchising has its pros and cons. However, if you've always wanted to open a business, franchising may be the right option for you. It has plenty of appeal and may be the perfect solution to get back control of your life and your future.

A Business to Business Franchise Model

A business to business franchise is an excellent opportunity for business ownership, especially if are comfortable with relationship building and sales. Your B2B franchise will provide services to small business, saving them money. You can grow your business into a successful business while helping others to do the same. There are benefits for those who are a part of the business to business franchise model.

There are many B2B franchise product and service opportunities including copier services, logo apparel, office supplies, signs, window cleaning, consulting, personal placement services, IT support, and the list goes on. For many services, it is much more cost effective for a small business to outsource services than to have staff on payroll. The point here is your small business market is large and with your product recognition, you can quickly see your business grow and prosper.

Benefits of the B2B Franchise Model

Hours of Operation

You get to operate the same hours as your clients. With a more traditional schedule of 9 to 5 Monday to Friday that B2b small businesses operate by, you can balance family and work much easier.

Compare that to the hours of retail businesses running seven days a week for twelve hours sometimes more. Many fast food franchises are open 24 hours a day, every day. You can quickly see how B2B hours of operation are a real perk.

Dealing With Other Professionals

You won't be dealing with the general public. Instead, you'll be calling on other business professionals offering your products/services they need for their business. If you are transitioning from the corporate world, you'll have lots of skills you can put to work. If you have a background in marketing or sales, you'll also find those skills useful in your B2B franchise business.

National Buying Power

You'll have much better buying power thanks to deal your franchisor negotiates on behalf of the entire franchise business. This will provide you with better prices on products you are selling or on supplies you need to perform your services. You can pass these onto your clients and grow your business because of your excellent pricing.

Cost to Enter into a B2B Franchise is Less

It generally costs significantly less to get a B2B franchise and the operating costs are often much less. You won't need to have a prime retail location because your customers aren't the public, so your overhead will certainly be less. Many B2B franchise businesses can easily be ran from home.

The business to business franchise model is certainly a viable option to going it alone.

What a Franchise Can do for You

These days we hear a lot about franchises. If you have ever considered opening your own business, you may have already considered franchises. If you have not you should. A franchise lets you as the investor (franchisee) operate a business with all the benefits and knowledge of an existing business.

You will pay a franchise fee and usually royalties, and for that you will get a successful business system that has been developed by the franchisor, the right use the franchisor's name, and a support system for a specified period of time. The franchisor may help you find a location for your business; provide training, offer management advice, offer newsletters, a website, and seminars.

Buying a franchise can significantly reduce your investment risk. Franchise fees can be significant although there are some franchises for as low as \$20,000. Let's look at some of the franchise components. As a franchisor you are presented with a business plan that will work and that involves several components.

To ensure uniformity the franchisee will have a set of guidelines on how the business must be conducted. They'll be the need for things such as site approval, design, appearance standards, restrictions on goods, methods of operations, etc. For you the franchisee it means that branding occurs and you become very recognizable and that makes building a customer base easy. Take for example Tim Horton's or McDonalds.

As a franchisee you'll also have cost including your franchise fee, royalties, a portion of advertising costs, and there may be other costs as well. For these costs you get the use of the name for a specified period of time, goods, and supplies at a superior price with significant savings that can lead to greater profits, and advertising campaigns that no individual business could ever afford.

Franchise agreements generally have a renewal clause. At the end of the contract you have the option to renew or decline. Renewals aren't automatic. The renewal may be the same as the original agreement or there could be changes. The benefit to you the franchisee is that you can continue to operate the business you have built while enjoying the benefits that a franchise offers.

Running an independent business is always an option, but there is a higher than 85% failure rate in the first three years. When you choose to buy into a franchise, you have a much higher likelihood of being successful thanks to the solid business system and support system in place.

The Franchise Model Compared to Small Business Models

Franchisors are a bit like a well kept secret to weight loss. Many are looking for the answer but only a few know about it. When it comes to the franchise model there are many benefits compared to the small business model. Let's have a look.

1. As a franchise owner you have the ability grow your business and increase your profits because of the identity of the chain and the franchisors buying power, neither of which are available to a small business owner until years later.
2. In many instances there is no experience needed for a franchise. In fact, many franchisors prefer you have no experience so there are no bad habits and they can teach you their “franchise way” right from the get go. The training program is in-depth with most franchises and the support system strong. This training and support is a real advantage since more than 85% of all small business fail in the first three years.
3. When you buy a franchise you are investing into an idea and concept that is fully developed so you don’t have to worry about patents and trademarks because all of this has been taken care of. Designs have been tested and marketing has been fine tuned. That means when you open your doors you have a business that has years of experience behind it. Small business owners don’t have this luxury.
4. When you buy a franchise you are investing in a business plan that someone else has resolved all the problems for, done all the testing for product, market, and operations. So even without any experience you are ready to operate a successful business after training. That simply doesn’t happen as an independent.
5. Unlike with a small business model, the franchise model allows for instant public recognition when you open your doors for business. You never have to worry about the equipment you’ll buy, how much space you require, how much you need to buy, or what the maximum profits are you can earn.
6. There is a significantly lower risk factor with the franchise model compared to the small business model. When you buy a franchise it eliminates a huge amount of trial and error that results in small business failure.
7. With a franchise you have company experts who are reviewing your business monthly, including your accounting and financial records. This means problems can be quickly solved. With the small business model there are no safeguards.

Owning a Franchise and what Entrepreneurs Should Know About

There are many franchise opportunities available to entrepreneurs depending on your budget, your location, and your interests. When you own a franchise business you are in business for yourself, but you are never in business by yourself. There’s a huge benefit compared to undertaking starting a business on your own from scratch. Read on to learn about the advantages of owning a franchise.

For many small business owners the franchise option is appealing. It should be no surprise since a franchise can offer a number of benefits and advantages over a standalone business venture. For the entrepreneur who wants to enter the small business market the franchise offers

a number of benefits. So before you say “no” to franchising you should explore what it has to offer.

Proven Business Strategy

One of the biggest benefits of a franchise is they offer entrepreneurs a proven business strategy. Many new business ventures find themselves struggling to develop a business plan that will be profitable and viable. A franchise should have already demonstrated they know how to grow profits over and over again.

Of course, you should do your research and confirm any information that is provided to you, to determine the franchise’s potential, and whether you would be happy with that.

Name Recognition

A franchise will offer you the benefits of name recognition. With a startup business, it can take you years to establish brand or name recognition in the marketplace. And still you might not be recognized as a leader in the industry.

Supply Lines That are Pre-Established

Establishing relationships with suppliers can be a real challenge for any new business owner. When a business is lacking adequate supply chains, it can cripple your business. Franchises have a dependable supply line in place that your franchise will benefit from. This puts your business at a real advantage over attempting to make these types of connections on your own.

A Support System

Your franchise comes with a built in support system for all new business owners. This is an excellent safety net to help you build your business, especially if you have no experience running a business, or you are new to an industry. Before signing your franchise contract, you should speak with your franchisor representative to find out just how much support you can expect.

Training Programs

Finally, there are training programs for the employees and for you as the owner. These training programs equip you and your staff to do their jobs efficiently, which can be a huge help to any business. This is especially true when it comes to technical training.