

ISSUE NO: 5

# FRANCHISING

**TALK TO US**

***BUSINESS Post Covid***

***www.francorp-pakistan.com***



**LATEST  
TRENDS AND  
PRICE  
EFFECTIVE  
IDEAS**



**EMPOWERING  
OUR CLIENTS  
THROUGH  
FRANCHISING**



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# EDITOR-IN-CHIEF



Welcome, Reader!

Francorp is back with another copy of the newsletter containing the latest news from the franchise world.

Due to Covid and then the instability caused in our country we took a break. Now that so much is happening with businesses back in action, we are excited to share all this information to keep you updated after seeking input from reviewers selected based on relevant expertise.

Anila Haq.

Francorp Pakistan.

## SURVIVING INFLATIONS



Inflation is the gradual loss of purchasing power, reflected in a broad rise in prices for goods and services. Inflation refers to a broad rise in the prices of goods and services across the economy over time, eroding purchasing power for both consumers and businesses.

Survival skills are the techniques that a person may use in order to sustain business in any type of environment. These techniques are meant to provide basic knowledge to keep profit margins intact, inventory costs, salaries, utility bills, etc. The skills also support proper knowledge and interactions with the end customer's expectations and demands. To promote the right image of the brand plus the unique factor highlighted.

E-commerce has changed, customer has changed,

Digital is the heart of all transactions. Rethink the digital capabilities and operating models to meet the evolving needs of the consumers.

Following are the major causes of inflation in Pakistan.

- Increase in Money Supply. ...
- Shortage of Goods and Services. ...
- Increase in Production Costs. ...
- Currency Devaluation. ...
- Property price growth. ...
- Increased interest rates. ...
- Reduced purchasing power. ...
- Investment opportunities.

Now that we have established the causes, the question is how a small business owner can cope with inflation in this Pakistani economy. A few tips are.

1. Streamline and Automate processes.
2. Analyze Profit Margins.
3. Improve Productivity.
4. Cut Expenses when and where possible.
5. Stock up on Supplies.
6. Raise Prices Judiciously
7. Be ready for new Customers.

Pakistan's inflation growth in next few months.



Pakistan's headline inflation will hit a historic high of 36.5% in April 2023.

## Franchise Industry News

- Chick-fil-A plots international expansion.
- Pizza Hut and Burger King Under new management in Pakistan
- Yum Brands to fully exit Russia with deal to sell KFC stores
- Crave able Brands buys Chargrill Charlie's
- Popular quick-service restaurant issues comment on Taco Bell lawsuit; in 'unrelated' news, brand announces 2 Tacos for \$2 Taco Tuesday® deal
- Esteemed Operating Group to Open the Brand's First Arkansas Location, First of 20 Restaurants Planned
- Taco Bell files petition to remove "Taco Tuesday" Trademarks.
- 'It's a Game Changer': Sport Clips Haircuts Debuts New Brand Platform and National Campaign Redefining Haircuts for Men
- Local Body shop Brothers Embrace Family-First Mindset
- Pizza Factory Roster Continues to Grow in Key West Coast Markets
- Pie ology Pizzeria Debuts New Chef-Inspired Creations and Exclusive National Pizza Party Day Offer
- Daddy's Chicken Shack Acquired by Area 15 Ventures
- Turbo Tint to Open Newest Franchise in Austin, Texas
- MY SALON Suite franchisees to open 10 additional locations in the Midwest
- The Halal Guys expands to the Midwest
- NYC cookies shop Schmackary's launches franchise opportunity.
- FAT brands link deal for 22 new franchise location
- Steak 'N' shake closes more locations.
- Carl's Jr. to Accelerate growth in Australia.
- Burger King is crashing down on underperforming Franchises closing around 300-400 stores in US.

# 3 Franchising Realities & Best Practices to Know Before Buying

Weighing the advantages and disadvantages of franchising, as outlined above, will hopefully help you determine if franchising is the right path for you.

If you do choose to embark on the franchising route, the following are important things to keep in mind. Neither pros nor cons, they are part of the obvious and often overlooked realities of franchising.

## **Marketing and Advertising Expenses**

Many franchisors stipulate in their franchise contracts that franchisees must pay for marketing and advertising expenses. Make sure to read through your contract thoroughly so you are aware of all the conditions.

## **Franchising Contracts Aren't Permanent**

Another thing to keep in mind is that your contract with your franchisor is not a permanent one. Once the contract has reached its end date, the franchisors have the power not to renew it. On the other hand, you also have the ability not to renew the contract if you aren't happy with your franchise.

## **Group Endeavor**

Remember that buying a franchise is a group endeavor. There's yourself, your franchisor, and every other franchisee who works under the company brand name. This community can be supportive, empowering, collaborative, but it can also be challenging. You need to be able to depend on all parts of your franchising system; the blunders and failures of another franchisee can damage the reputation of the entire franchise system, including your own. Make sure to talk with other franchisees before purchasing a franchise so that you get a sense for the franchise community you are buying into.

## **Pros and Cons of Buying a Franchise**

<b>Franchising Pros</b>	<b>Franchising Cons</b>
Franchises offer a business “playbook” and the support of a corporate team to help you operate their established business model.	Franchises require you to follow their systems and procedures, and can limit the “creative freedoms” of the business owner.
It is generally easier to get a loan for a franchise business compared to getting a loan for a new startup, independent business. Many established franchises are pre-registered with the Small Business Administration (SBA) and qualified candidates can receive fast-track financing through local banks that provide SBA-backed business loans.	Big name franchises can have high initial investment costs that limit access to only well-financed candidates.



Franchises offer pre-opening assistance like market analysis, site selection, design & construction, training, and grand-opening marketing programs.	Most franchises charge recurring royalty fees, and other fees including marketing fees, training fees, technology fees that can reduce your overall profit potential.
Franchise companies have mass buying power, so product and supply costs are generally lower.	Franchise companies can restrict where you can operate your business, the products you can sell, and the suppliers you can use for purchasing products and supplies.
Franchises often have a recognizable brand and a loyal customer base, which can allow for faster startup and growth of the business.	Mistakes or poor management by other franchisees can damage your franchise's reputation and ultimately impact your business.
Franchise companies will often share financial metrics, best practices, and other proprietary information to help you operate a more successful business.	Franchisees are often required to share their detailed financial information and other business operating data with the corporate office.
You are your own boss, but you have the support of corporate and a large network of fellow franchise owners behind you. Franchise owners are in business for themselves, but not by themselves.	While you own your business assets, you license the brand name and operating procedures from the franchise company. Once your contract ends, franchisors have the power not to renew your franchise agreement.

### **To Reap All the Advantages of Owning a Franchise, Research Is Key**

To find out if franchising is right for you (or which franchise is for you!), make sure you do your research. Franchise Business Review has compiled a list of franchises that offer the best franchisee satisfaction for your perusal. You can also talk to other franchisees in the industry you're looking at to hear their experiences and investigate the level of support their franchisor offers. Or, if the number of franchise opportunities is overwhelming you may want to consider hiring a franchise consultant, who can help guide you and offer insight and advice you may have been unaware of.



# Why is it a better idea to open franchise rather than starting a new business?

In comparison to the startup business franchises have proven to be more successful. When you open a franchise you have a support system from the start. The risk involved in a startup business is much more than that of a franchise. The risk factor is considerably much less in the franchise. When it comes to opening a franchise franchisors aim to protect their brand awareness by providing continual support to the franchises. While entering into business multiple options are available to the individual. The options available are whether to start a new startup business or to open an existing franchise. The decisions can be made depending on various factors. But it is always a better and more secure option to open a franchise. If as an owner you are detail-oriented, good at following directions, and comfortable with

established systems, franchising provides a quick and easy way to become a business owner. Owning a franchise gives you the right amount of independence with guidance.

The few factors which will help you decide between franchise and startup business:-

**Brand Awareness:** A startup business might not attract brand equity but when it comes to a franchise the consumers are already aware of the brand and its proposition and it also comes with reliability and quality. One of the greatest advantages of buying a franchise, as you will spend less time and investment in launching your business. Even if your business is brand new to an area, the reputation of the franchise brand can create the initial word of mouth promotion, highly vital to success. Thus,

there will be even higher chances of success.

**Control:** In a startup business owner can exercise his own procedures and styles and can have complete control over the business whereas In franchise the strategic control remains in hands of the franchisor and the franchises manage the operational issues. In franchise less strategy is needed by the owner in comparison to the startup business.

**Equipment's & Supplies:** When it comes to a startup business, the owner is required to arrange all the supplies that must meet the high quality standards and also negotiate the best possible deals whereas In franchise all these work are done by the franchisor you just have to invest the money rest all the hard work will be done by the franchisor.

**FRANCHISE OPPORTUNITIES AVAILABLE**



**Francorp®**  
The Franchising Leader

For Further Details Please Contact Francorp Pakistan  
Call: 0300-2016812 Email: [info@francorp-pakistan.com](mailto:info@francorp-pakistan.com)





## FRANCHISE OPPORTUNITY LARGEST CHAIN OF LAUNDRY!

**Financing:** In a startup business owner needs to invest a good amount of money for retail, space, marketing and equipment. Whereas franchises also require considerable investments but franchises take an edge as the franchisors are more than willing to lend for an established brand than a new business.

**Marketing:** Franchises can take advantage of the franchisor's national as well as regional budgets for marketing which may run into millions. This might require a monthly contribution to a minimum budget which is far less than the potential benefits. In startup business will require more investments in marketing and advertising with no guaranteed commitment of return. When it comes to franchise along with a reputed name, you will also get a loyal consumer base. There is an

immediate trust level that comes with name recognition of the franchise. You will also have input and help from the franchise on how to craft and execute effective campaigns of your own as well. They may also provide, depending on their size and resources, a marketing plan that covers a market analysis, strategy, sales forecast, and budget that will help you market the brand.

**Speed to Market:** In a startup business the owner has to do prior research and prepare a proper estimate for all materials, equipment, office space requirements which might not turn out to be perfect resulting in loss of money and opportunity. And when it comes to franchise, all the requirements are already sorted beforehand as it is a replication of business and hence the business operations can

begin in a considerably short span of time.

**Faster ROI:** when it comes to the franchise the ROI is faster as compared to a startup because startups can take a good amount of time in building a client base and brand name. When you build your own business from a ground level there will be failures that will cost money, time and energy and frustration whereas in a franchise Franchisors support: Franchisors often try to protect their brand reputations by providing continual support to the franchisees. Franchisors also provide field support specialists to keep business on track and groom owners as leaders. The risk factor involved in any franchise is much less as of the startup business. There's a very long list of licenses and regulations every business must follow to start their venture.

When your start-up is a franchise, you will be getting extensive support and guidance from your franchisor. Your franchisor will help you out navigate these hurdles.

Many franchisors also provide all the needed packages to start the business (including equipment, supplies and training) and the franchisee executes the plan. Buying a franchise always allows start-ups an ideal balance between being independent and receiving guidance.

**Peer Support:** With an existing network of franchisees, the business owner can benefit from obtaining business knowledge to address challenges and issues. Peer support is stronger in franchises than in a startup business.

**Product/ Service Innovation:** Any kind of business innovation requires a lot of time and money investment. In the case of a startup business, it may not always work and result in loss of time and money whereas franchisors keep on innovating on their own budget and after trying and testing, implement the new offering in the franchisee stores.

**Site Selection:** Franchisors can help with site selection experts and their wealth of experience on this topic along with negotiating leases with landlords. All these factors help in laying the right foundation for the franchise business.

**Scalability:** One of the most common advantages of starting a franchise is the scalability factor involved. A franchise system allows an entrepreneur to expand the business more effectively and efficiently as he wants.

A franchise is always based on the principle of replicating a proven business model, they are easily scalable in multiple ways and more. You can often scale your business geographically by starting in one area and gradually expanding to multiple locations as per the need.

It's always better to buy a franchise rather than starting a new startup business. Franchise owners are more likely to become successful entrepreneurs as compared to the owners of a startup business. Starting a new startup from scratch can be extremely difficult. There are tons of responsibilities when it comes to starting a startup like building a strong business however there are many advantages of investing in franchises.

When you invest in a franchise, you are supported by a successful business model that has already worked upon its weaknesses and already knows its strong strengths. When you invest in a well-known franchise, you're backed by powerful marketing and advertising campaigns that will help you attract customers. When you open a franchise you're not alone, you can always count on franchisors help when you hit an obstacle. In a franchise, you have the flexibility and freedom to be your own boss. Some of the franchisors also provide comprehensive training programs that help you to jump-start your business and gain lots of knowledge about the industry. Franchisees most often benefit from the collective buying power of the parent company, which passes on the savings to franchisees. Thus, inventory and supplies cost less for a franchise

than for an independent company. While starting a business there are many risks associated. If you have any sort of issue operationally you can count on franchisors to help you out. Also, training programs can include useful resources such as reviewing store operations, sales and financial management and day-to-day business operations which can be really helpful for the owner.

These Days best investments are to own a franchise of a good business. Statistics show franchises have a very low failure rate as compared to a startup business. It allows all aspiring entrepreneurs to start a new business without incurring the same level of risk as a brand-new venture. Some of the major advantages of the franchise are: Key business relationship already exists, The business is already established, A support system in place and easier financing. An investment in a franchise is much easier as compared to any startup business as it provides an opportunity to invest in an existing, successful business model that most often comes with proven track records, a successful training program, a solid supply chain and expert technical support. Often successful franchises have impressive success rates, with less chance of failure. Franchise also provides a clear and easy exit plan. When as an owner you're ready to retire you sell an existing well-known franchise to another franchise owner. People invest in a franchise because the model works and is also profitable. It offers the entrepreneurs a stable and tested model for running a successful business.

# FRANCHISE CALENDAR

## INTERNATIONAL FRANCHISE EXPO

Join thousands of entrepreneurs and future business owners at the International Franchise Expo, the largest franchise expo in the country. Meet face-to-face with over 400 proven franchise opportunities. Every industry. Every investment level. Full-time and part-time.

**NEW YORK, NY**  
**UNITED STATES**  
**JUNE 01 - 03, 2023**

## 2023 FRANCHISE CUSTOMER EXPERIENCE CONFERENCE (FCXC)

Partnership Event with Franchise Update Media

**INTERCONTINENTAL BUCKHEAD HOTEL,**  
**ATLANTA GA**  
**JUNE 20 - 22, 2023**

## 2023 SUMMER LEARNING SERIES

Adding to the summer fun of family vacations and events, the IFA Summer Learning Series has something for everyone!

Presented via On Demand independent online learning and through a collaborative 25-member cohort group, the Summer Learning Series offers distinctive, insightful leadership and professional development opportunities to heighten everyone's summer learning!

**ON DEMAND LEARNING AND/OR**  
**COLLABORATIVE MEMBER COHORT**  
**GROUP**  
**JULY 18 - 25, 2023**

## FRANCHISE EXPO SOUTH

Franchise Expo South is the premier event covering the franchise industry for the southern United States, and serves as the industry's one-stop shop for prospective franchisees.

**FT. LAUDERDALE, FL**  
**UNITED STATES**

## 2023 IFA ADVOCACY SUMMIT

Join C-level executives, franchise owners and supplier partners for an exclusive gathering in the nation's capital this September. At the IFA Advocacy Summit (formerly Leadership Summit & Franchise Action Network (FAN) Annual Meeting), you will hear from national leaders and policymakers on critical issues.

**WASHINGTON, DC**  
**UNITED STATES**  
**SEPTEMBER 11 - 13, 2023**

## 2023 FRANCHISE LEADERSHIP AND DEVELOPMENT CONFERENCE

Partnership Event with Franchise Update Media

**ATLANTA, GA**  
**OCTOBER 18 - 20, 2023**

## 2023 EMERGING FRANCHISOR CONFERENCE

Whether you are trying to kick-start your franchise system or take it to the next level, IFA's Emerging Franchisor Conference was designed for entrepreneurs like you.

**HILTON NEW ORLEANS RIVERSIDE, NEW**  
**ORLEANS, LA**  
**NOVEMBER 01 - 03, 2023**

## FRANCHISE EXPO WEST

Franchise Expo West is the premier event covering the franchise industry for the western United States, and serves as the industry's one-stop shop for prospective franchisees.

The International Franchise Association (IFA) is a proud sponsor of this event.

**LOS ANGELES, CA**  
**UNITED STATES**  
**APRIL 12 - 13, 2024**



# Covid Pandemic: Boosting economy through franchising



**T**he end of first quarter of 2020 brought an unexpected turn of events with the arrival of Covid-19. Businesses across the world shut down, companies went bankrupt and employees were made redundant. No one could have predicted the severity of the virus that has placed millions of people around the world in a difficult state.

In these pandemic circumstances for managing and developing a sustainable solution to running a business, one may look into the idea of franchising. Franchising is the fastest and easiest way to grow a business without investing and solving the four major problems being money, time, people, and competition. But before taking a step towards expanding your business, it is crucial to manage and face the challenges in front of you.

The question on every business owner, entrepreneur, CEO, franchisee, franchisor and even an employee's mind, is "Will this business be able to survive the effects of Covid-19?"

## Unforeseen adversity

It is no secret that the economy has been faced with unforeseen adversity,

and that the upholders of it are the heroes of everyday, and even more so today – the essential sectors and their workers.

When assessing the effects on the economy, it is important to understand how the virus has created a massive turning point for businesses and the people involved, across the world.

When the news of the coronavirus first emerged in February, it was not something that instilled fear in us nor was it something that we thought would eventually cause a great impact on a global scale. Shortly so, it began to spread and reached everywhere from the South-East of China, to Iran, Italy, Japan, Thailand, and soon enough, the rest of the world.

With the spread of the virus came lockdowns, curfews, sterilization programs, and plenty more actions to ensure the safety of citizens residing within those countries. This eventually led to businesses having to close for an uncertain period of time.

Soon enough, flights were suspended from every corner of the world. Several weeks later, airports and airlines started

to furlough their staff while making many others redundant. This was one of the first huge hits taken on the market with the hospitality and tourism sectors being the most heavily affected.

At this point, no one was certain that this was a pandemic, nor did anyone imagine for it to progress into one. This was until March 11 when the World Health Organization (WHO) announced that Covid-19, in fact, is a pandemic.

The announcement was followed by a reaction, whereby, it was clear and expected to be with us for a long time. People began stocking up on food and cleaning supplies and became conscious about their spend. The thought of being unemployed and not receiving regular incomes led to a panic. This was a shock for everyone.

Restaurants, hotels, cinemas, salons, and gyms were amongst some of the few industries that were preparing for a complete shut down until the situation was safer. No business had a contingency plan that was put in place for such a pandemic.

## None is spared

At this point in time, people are trying





to figure out ways to survive on a day to day basis. This affects everyone from business owners to employees and even consumers.

For business owners, the main challenge is trying to sustain their businesses. This may call for making some tough decisions, such as relocating to a place where rent may be more affordable, letting go off employees, and paying for operational expenses. In line with this, they have become progressive and have developed alternative methods to run their regular services with the help of technology and e-commerce.

In addition, businesses have implemented new safety practices and procedures into their daily operations which have now become top priority. The creation of the safe environment allows for the continuity of work from home via online meetings or in the office by maintaining social distance.

Unfortunately, many employees have been left without jobs, or will not be receiving their salaries for some time, making it very hard to survive. Given the circumstances, jobs are hard to find now more so than ever.

On the other hand, this stage can reflect how much more compassion is being shown in work spaces, through communication and ensuring the safety of others. Acknowledging the fact that we all are facing this pandemic together, not only brings about moments where

we would have to make difficult changes but also be compassionate towards others. This builds trust and can lead to a resilient and faster recovery.

#### Resilience and recovery

The governments around the world are laying down timelines for the resumption of routine in their respective countries. Does this mean we wait for that normal to return or do we plan and prepare for whatever comes next, now?

Additionally, within these regions, it is crucial to find ways to assist our businesses and help develop them for a sustainable future in the post pandemic era.

#### Franchise and succeed

Going forward one of the directions the businesses can take to ensure success is to explore the idea of franchising, which will help them to expand on a much faster level.

The biggest benefit of franchising is that you can expand your business without having to start from scratch. A step in the right direction will entail developing a perfect franchising model that is in sync with your business's goals and objectives.

For certain sectors, it may seem to be an even better idea to expand as soon as possible. Some examples could be the healthcare, e-commerce, and retail industries such as supermarkets. These industries are at the frontlines of the

pandemic and encouraging them to look towards franchising would ultimately boost the economy and provide employment, resolving the unemployment issues.

In short, the excellent opportunity is now for business owners to consider franchising as a positive way forward.

*"The biggest benefit of franchising is that you can expand your business without having to start from scratch. A step in the right direction will entail developing a perfect franchising model that is in sync with your business's goals and objectives."*

**Francorp**  
The Franchising Leader



# Why You Can't Franchise a Starbucks Café

**Starbucks Café, With more than 30,000 retail stores in 83 countries, Starbucks clearly is one of the leading, most prominent and popular coffee chain in the world**

**I'M LOOKING TO FRANCHISE A STARBUCKS. HOW CAN I DO IT?**

You can't. Starbucks Coffee doesn't franchise. Even though franchising is a classic, successful growth strategy for myriad beloved, familiar brands, Starbucks does not grant franchises. It's not because franchising isn't a time-tested model for growth. Many companies offer franchises. Operators pay to build and operate a location of the franchise brand in return for a portion of the profits.

In other words, the franchisee operator is investing money in the company, and the company gets that investment as capital. Chains such as McDonald's and Subway use the franchise system, allowing them to open increasing numbers of locations, and it works. So why does Starbucks not go the same route?

Starbucks CEO Howard Schultz wrote in his 1997 book, "Pour Your Heart Into It," why he avoids franchising: he wants to maintain a "fanatical" level of control over his locations.

"To me, franchisees are middlemen who would stand between us and our customer," Schultz wrote. "If we had franchised, Starbucks would have lost the common culture that made us strong. We



teach baristas not only how to handle the coffee properly but also how to impart to customers our passion for our products. They understand the vision and value system of the company, which is seldom the case when someone else's employees are serving Starbucks coffee."

Starbucks does grant licenses for locations within hospitals, colleges, and other businesses, which are different from franchises. However, the company does not allow franchising of Starbucks store

**“***To me, franchisees are middlemen who would stand between us and our customer,” Schultz wrote. “If we had franchised, Starbucks would have lost the common culture that made us strong.”***”**



locations. As of October 2017, there were 13,930 Starbucks stores in the United States, according to Statista, and about 41 percent of those were licensed locations. Though Starbucks does help licensed stores with design, menu, equipment, training, and support, operating with a license may not be a good fit for everyone. The location must be in a spot Starbucks wants to open.

Also, the licensee must have the resources to open the store. A licensed Starbucks is probably not the best option for a new operator to open as a first business or first big investment.

# Role of Franchise consultant in Franchise development



A franchise consultant can play a critical role in the development of a franchise program by providing expertise and guidance in areas such as market research, franchise sales and development, and operational support. They can help to identify potential markets and target demographics, develop and implement sales strategies, and provide ongoing support to franchisees to ensure they are meeting the standards and expectations of the franchisor. They can also help in creating a comprehensive and effective franchise operations manual, which is the foundation of a successful franchise system.

Additionally, a consultant can assist in the development of training programs and marketing materials, as well as provide support in areas such as legal compliance, financial analysis, and site selection. They can also provide guidance on how to structure the franchise agreement, royalty fees, and other key aspects of the franchise relationship.

Overall, a franchise consultant can bring a wealth of experience and knowledge to the development of a franchise program, helping to ensure that it is successful and profitable for both the franchisor and franchisees.

## Franchise Consultant V/S Franchise Broker

A franchise broker is a professional who helps match potential franchisees with franchisors. They typically have a broad knowledge of the franchise industry and the specific opportunities that are

available. Franchise brokers act as intermediaries between the franchisor and the potential franchisee, providing information and guidance to both parties throughout the process.

Franchise brokers typically work with a variety of franchisors and have a wide range of franchise opportunities available for potential franchisees to consider. They typically interview potential franchisees to determine their qualifications, financial capabilities, and goals, and then match them with franchisors that are a good fit. They also provide guidance and support throughout the process of evaluating a franchise opportunity and completing the franchise application.

Franchise brokers may also provide additional services such as franchise market research, franchise sales and development, and operational support. They can also help with negotiations and legal paperwork, and act as a liaison between the franchisor and franchisee throughout the term of the franchise agreement. Franchise Brokers typically earn their fees by taking a percentage of the total franchise fee.

## Advantages of using a franchise consultant:

- Experience and knowledge: Franchise consultants have a wealth of experience and knowledge in the franchise industry, and can provide valuable guidance and support to both franchisors and franchisees.

- Market research and analysis: Franchise consultants can help with market research and analysis,

identifying potential markets and target demographics for franchise expansion.

- Sales and development: Franchise consultants can assist with developing and implementing sales strategies, and provide ongoing support to franchisees to ensure they are meeting the standards and expectations of the franchisor.

- Operational support: Franchise consultants can provide support in areas such as legal compliance, financial analysis, and site selection, helping to streamline processes and improve efficiency.

- Training and marketing: Franchise consultants can assist in the development of training programs and marketing materials, helping to ensure that franchisees have the tools and resources they need to be successful.

- Cost: Franchise consulting services can be expensive, and the fees can add up quickly.

- Limited control: Franchise consultants may not have the same level of control over the franchise program as the franchisor, which can lead to conflicts or disagreements.

- Limited liability: Franchise consultants may not have the same level of liability as the franchisor, which can create legal and financial risks for the franchisor.

- Dependency: Franchisees may become too dependent on the consultant and may not be able to operate the franchise on their own.

- Conflicts of interest: Franchise consultants may have their own interests and may not always provide unbiased advice.

It's important to evaluate and weigh the pros and cons before you decide to hire a franchise consultant, it's also recommended to do a thorough research and check the credentials and track record of the consultant before making a decision.



# Importance of Training in the Franchise System



Franchise training is essential for the success of both the franchisor and the franchisees. It helps to ensure that franchisees have the knowledge, skills, and resources they need to successfully operate their businesses and to adhere to the franchisor's brand standards. Here are a few key reasons why franchise training is important:

- It helps franchisees to understand the franchisor's business model: Franchise training provides franchisees with a comprehensive understanding of the franchisor's business model, including policies and procedures, standards and guidelines, and best practices.

- It helps to ensure consistency and quality: By providing training on the franchisor's brand standards, franchisees are better able to provide a consistent and high-quality customer experience.

- It helps franchisees to be successful: By providing franchisees with the knowledge and skills they need to operate their business, training can help to increase their chances of success.

- It helps to build a strong relationship between franchisor and franchisees: Franchise training can help to build a strong relationship between franchisor and franchisees by fostering a sense of

community and by providing opportunities for ongoing support and assistance.

- It helps to support growth: Franchise training can help to support growth by providing franchisees with the knowledge and skills they need to expand their businesses and to enter new markets.

- It helps to stay compliant: Franchise training can also help franchisees to stay compliant with the laws and regulations that apply to their business and the industry they operate in.

- By providing comprehensive and ongoing franchise training, franchisors can help to ensure the success of their franchisees and the overall success of their franchise system.

Improper training in a franchise system

can lead to a number of disadvantages for both the franchisor and the franchisees. Here are a few examples:

- Decreased franchisee success: Without proper training, franchisees may not have the knowledge and skills they need to operate their business successfully. This can lead to decreased revenue and increased risk of failure.

- Reduced brand consistency: Improper training can lead to franchisees not fully understanding and following the franchisor's brand standards, which can result in a lack of consistency and quality in the customer experience.

- Increased franchisee turnover: Franchisees who are not properly trained may be more likely to become disengaged and to leave the franchise system. This can be costly for the franchisor in terms of recruitment and training of new franchisees.

- Legal issues: Improper training can also lead to franchisees not being compliant with laws and regulations that apply to their business and industry, which can result in legal issues for the franchisor and the franchisees.

- Strain on the franchisor-franchisee relationship: When franchisees are not properly trained, it can lead to a breakdown in communication and trust between the franchisor and the franchisees, which can further exacerbate the above issues.

- Reduced scalability: Without a proper training system in place, the franchisor may find it difficult to scale the system

“*Hamburg University in Chicago, also known as the Hamburger University, is a training facility established by McDonald's Corporation to train its franchisees, managers and corporate employees in the latest management and operational techniques. The university was founded in 1961 in the basement of a McDonald's restaurant in Elk Grove Village, Illinois, and later moved to its current location in Oak Brook, Illinois.*”



# Pie in the Sky

Savouries | Desserts | Confectionery | Cafe' | Breads



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