

TOP 5 TIPS TO FRANCHISE YOUR BUSINESS

1. Protect Your Brand

Franchising is all about the brand. It is vital that your business has a distinctive brand that is a registered trademark or capable of registration for you to launch a franchise. Your franchise owners will be paying you for use of this brand and its reputation – as the key asset of your franchise you need your brand to be capable of protection legally so that you can prevent copycats. This applies not only to your trademarks but also your URLs and brands used in Social Media.

2. Protect Your Business

Successful franchising is about proven businesses with established systems and processes replicating that model with the investment of others who want to benefit from the support, knowledge and brand reputation that you have.

Franchising a business is also a full time job in itself and to prepare your business to franchise you need to have a succession plan in place for the operation of your existing business and consider ring fencing your existing business from your franchise.

3. Use Robust Contracts

Your contracts are the key documentation that define your relationship with your franchise owners. You will need contracts to get commitment from potential franchisees and maintain the confidentiality of any information that you initially disclose concerning your offering. You will also need a pilot contract for your franchise - a detailed contract clarifying the scope, term, renewal rights and termination rights for your franchise. You may also require contracts for the supply of products and services to your franchise network.

4. Check Your Marketing Materials

To attract franchisees to your brand you need to get your marketing materials together. To avoid later claims that you have overstated achievable profits from your franchise owners these materials must be carefully worded. This applies not only to franchise info packs and your operations manual but also statements used on websites and verbally.

Recent laws have imposed even more stringent requirements on this information so it is vital that you review your materials to ensure compliance.

5. Think ahead

Before commencing the franchise journey you should give some thought to how you anticipate it will end. This will affect how you structure your franchise from the start, your approach to franchise owner recruitment and your business plan.

Key issues will include your position on property ownership, whether you plan to expand the brand overseas, the development of national accounts and how you intend to derive revenue from the operation of the franchise.

Word to the wise

Franchising your business can bring your business exponential growth opportunities – if planned, resourced, researched and tested well. Avoid franchise failure by following our top tips.



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