

Franchising ideal industry for investment



By [Nicolas De Sousa](#)

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The economic viability of franchising makes it a more popular choice when considering a new business, than starting from scratch. The most significant advantage is that from the start, investors are provided with everything they need for a turnkey operation - from recruitment through to the product.

This makes sense for new business owners, because along with the turnkey operation, comes access to considerable expertise, support and understanding. It's no secret that successful businesses are based on a sound understanding of the consumer and a well-established franchise already possesses vital consumer insights, which in turn it is able to pass on to new investors.

Extended support

One of the greatest concerns for a new business owner is the number of business facets that dictate how successful a business is, including sales and marketing, health and safety, legal requirements and finance, to name a few. Most business owners would have to outsource these areas of expertise, at a costly rate, if they were not able to fulfil these functions in-house. Franchise owners, however, are able to access that support from the franchisor.

In addition to this, new franchise owners have the benefit of lower operating costs. Everything, from the cost of the product to the cost of the business' insurance is negotiated by the franchisor. From a logistical point of view, they have access to the systems and supplies of a well-established brand, providing them with far greater security. This includes the benefits of national exposure, which can go as far as landlords granting pre-approval based purely on the brand name invested in.

Choose model and vision to believe in

Becoming a new franchisee also comes with significant challenges of its own. The franchisor (aka head office) operates through uniformity: this is one of the cornerstones of a successful franchise brand and this provides vital functionality. This standardisation is applied to areas such as menu and store design, location choices, franchise fees, as well as a variety of application processes.

As such, it is important to be on board with the brand's overall philosophy and concept, to feel comfortable operating within their structures and in agreement with their systems. Do not just invest in any brand, as success as a franchise owner depends on one choosing an organisation with a business model and vision that one believes in. While independent start-ups allow more freedom, they also pose a much higher risk. Franchise organisations have the benefit of an already established brand and business operating model, which is a far more secure option in today's economic climate.

Investing in a reputable franchise will give one a superior platform for an attractive return on one's investment, but at the same time will require a considerable amount of research and stringent finance application processes. Business owners who are confident in their ability to manage these processes have great potential to succeed.

ABOUT NICOLAS DE SOUSA

Nicolas De Sousa is Marketing Director at Traditional Brands. A master of Marketing and Business Administration with varied international experience within internationally recognized corporations adds a clear backing of experience within his favoured fields within retail and marketing, PR management, logistics and finance. He joined the brand in 2007 adding an alternative to the company's then current approach of which "Old Fashioned" Fish and Chips had so often been comfortable with. Contact details: website www.traditionalbrands.co.za

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