



RETAIL FRANCHISING

Easy way to get into business

*Systems already in place for someone starting out, **Erin Boyle** discovers.*

Owning and running a business is in most Kiwis' DNA, but starting out on your own can be hard without financial backing and support.

But there is a simpler way to get into business, and that is by running a franchise.

Fiona Macky is a senior consultant with The Franchise Coach.

Fiona has a wealth of knowledge and experience in small to medium businesses, specialises in franchise systems development, advising and coaching to franchise start-ups.

Fiona says one of the key reasons her clients choose franchising is because they are tired of working for someone else.

"Kiwis like the idea of being in a business of their own, but not all know how to get there and don't have any idea what kind of business they want to operate. New Zealand has a high statistic of small to medium-sized organisations. It is just what we do here and it is what drives people to be a part of that dream."

When it comes to starting up a standalone business, there is an endless list of tasks to be done, even before the doors open. From marketing to documenting processes, IT systems and hiring staff, a wide array of skills and talents are required and not many people are sufficient in all areas. That's not to say it can't be done, but Fiona says franchising offers an easier approach for people to get into business for themselves.

"An individual needs to have a broad range of experience to be able to cater for all the facets running a business requires, or pay someone for those skills.

Just imagine having to develop a website, with a trademark, a unique and stand-out brand name and design, and that is just one small part of development.

"When you join a franchise system, those things are all in place and feed down from the top. It really is all done for you."

Another exciting part of owning a franchise is that it is some security for the future. Obviously nothing in life can be guaranteed, but if it is a brand that has been successful in other regions of the country, or even the world, then there is proof that it can be established in your region.

"It is about growing an asset that has the potential to be on sold in the future.

"And if someone has built the franchise up from scratch, as a new business for the area, then they will benefit from the customer growth in the territory that adds value when it comes to selling," says Fiona.

In a world full of marketing and advertising, it can be hard for a small business to make enough noise to get noticed. Big advertising, on TV, in magazines and on the radio, can cost a lot of money that most small start-ups don't have. But in franchising, a brand and brand culture have already been created and that is a *really critical point of why people choose this option*, says Fiona.

"A major cornerstone of franchising is that everything has been established. Graphics and logos are in place, a lot of franchises have characters and/or jingles and there is a culture created around the type of customers and people it serves."



A lot of the time, opening a business comes down to having enough capital and the great thing with franchising is that banks are very supportive of the proven successful brands. Fiona says that bank funding can be easier, especially if it is a smaller region and it will be bringing in something new that is all under the guidance of a franchisor who has experienced trial and error.

"The franchisor will know what percentage of product should go on your shelves, and the range to have in your store. They will know what goes out quicker than other products as well as a lot of imperative stock information. All the research and development has been done."

And there is no doubt that franchising is on the up and up. "New Zealand has a lot of franchising systems in comparison to other countries. We are franchising friendly, but there is definite growth the world over," says Fiona. "In the last eight years, franchising in South East Asia has seen significant growth and China just cannot get enough of it. They are opening their doors for people to go over there and establish franchises."



ADVISOR: Fiona Macky, who says many Kiwis dream of running their own business.

Where to go

■ Visit www.franchisecoach.co.nz to find a section called "buying a franchise", which contains a wide range of tips and checklists for someone who is investigating the opportunity of joining a franchise.