

## BEER MAT MENTORING MEETING NOTES

### (18) Taking on a franchise

Why re-invent the wheel? Instead, let someone else make the mistakes and perfect the business model. Then buy the idea, experience and training from them.

In *The Founder*, Michael Keaton portrays Ray Kroc, a failing salesman and hustler, who comes across a burger restaurant run by two brothers, Rick and Maurice McDonald. He franchises the brand, turning it into a global phenomenon. It's not a happy story for the brothers but 37,000 restaurants across 120 countries serve 68m customers daily, earning franchisees \$500,000 - \$1m per restaurant per year.

#### The franchising option

Starting a McDonald's will set you back £1m or more. Fortunately there are less expensive options. For under £5,000, SkyCam will provide the kit, the training and the website so you can follow your clients around with a camera on a drone, charging £150 to £2k per gig. Or if you are more of a party animal, how about Go-Kart Party for kids (£8k) or Laser Tag 2U (£16,900)? Alternatively, if you are community minded and want a car with flowers painted on it, Driving Miss Daisy will enable you to offer "a safe, caring and reliable service for those people who find it difficult to get out and about" for £15k plus VAT plus a lease car.

Of course you could do your own thing, like the McDonald brothers. And if it works, you could be the franchisor, taking a fee from enthusiastic franchisees and growing the brand more quickly than you could manage alone. But if you are new to business, want help and support from those who have already made it a success, and the greater likelihood of success from a proven business idea, then become a franchisee may be the way to go.

Franchising is like having a business blueprint. You start your own company trading under an established brand with guidance and support on everything from marketing to financial planning to HR. There is a huge array of franchise opportunities in just about every sector, from gyms to sandwiches and pet care to health care. Franchisees pay a fee to start their business and monthly royalties thereafter, usually a percentage of sales. In return, you receive comprehensive training and ongoing support.

#### Other models

I started my first proper company as the exclusive UK licensee for a US product, under a similar arrangement, though we later developed our own better version. Look out for innovative products you could import and contact the manufacturer.

This column is based on the Germinate Enterprise rural business start-up programme ([www.germinate.net/enterprise](http://www.germinate.net/enterprise)), which is itself a "community franchise". We can give you all you need to run the six session course and follow up "Beer Mat Mentoring" gatherings. It will not make you any money, but you can help your community and it won't cost you a bean. We have just become a Cinnamon Recognised Project, joining a growing list of other community franchise projects and courses designed to be run by local churches ([www.cinnamonnetwork.co.uk](http://www.cinnamonnetwork.co.uk)).

#### Further help

For franchise ideas, try [www.franchisedirect.co.uk](http://www.franchisedirect.co.uk) and similar sites, or go to the annual Franchise Show ([www.thefranchiseshow.co.uk](http://www.thefranchiseshow.co.uk)). Take professional advice and take a look at the many websites offering further help, including the British Franchise Association ([www.thebfa.org](http://www.thebfa.org)).

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