

# Would you make the cut as a franchisee?

By [Alan Hockey](#)

6 Dec 2019

The decision to sell a franchise is as important to the franchisor as it is to the franchisee. Remember, the franchisor will be allowing the franchisee into the fold, sharing intellectual capital and the opportunity to represent the brand.



Getty

A prospective franchisee will be looking to benefit from the reputation that the franchisor's brand has built up over the years, so in order to maintain the brand's standing, the franchisor needs to be selective when selling a franchise.

So, purchasing a franchise is a big decision on your part and selling a franchise to a franchisee also involves risk. As there are generally limited opportunities to become involved in a franchise, it is worth demonstrating that you are the ideal candidate by conducting research and ensuring that you are a good fit.



A no-fail way to get your product to market

Alan Hockey 12 Sep 2019



There are many criteria in selecting the appropriate franchisee and these attributes would be influenced by the franchise, but I have highlighted those that I believe are of universal relevance.

## Are you a people person?

This can play a key role in relationships both with your customers as well as with the franchisor. If you are successful in your application, you will be entrusted with the franchisor's most prized possession, the brand, so trust and people skills are critical.

## Are you financially prepared?

This refers not only to your business and financial acumen, but also your credit rating and having access to sufficient

funds for startup capital, plus a commitment for contingency funds in the event that things do not go as planned.

Just as important as having adequate capital, is knowing how to manage that capital. You should have an understanding of basic finance and accounting in order to regularly analyse your franchise's profit and loss, cash flow and balance sheet data.

## **Are you willing to follow the franchise system?**

The success of a franchise is based on consistency and the application of tried and tested systems and processes. Deviating from the system could impact on quality, service delivery, expenses and long term profitability. If you are a maverick by nature, a franchise will not work for you. The best candidates are those that follow the system enthusiastically.

## **Are you willing to work hard?**

There is a perception that a franchise will just happen. The truth is the success of a franchise is directly related to the amount of effort that is put into the business. Any startup business is hard work and although there is less risk than in a non-franchise startup business, it still requires commitment and effort. Many franchisors will check a potential candidate's references for a history of accomplishment, hard work and motivation.

## **Do you have experience?**

This can count both ways, depending on the franchise. In certain instances franchisors prefer candidates without experience, as they can be trained into the systems without conflict. Other sectors prefer candidates who have specific knowledge or skills. What stands all candidates in good stead, is the ability to be self-employed. This means that the potential franchisee must be self-disciplined, self-motivated and have a want to succeed.

Owning a franchise isn't going to be for everyone but if it is for you, what a comfort to know that you "are in business for yourself, but not by yourself".

## **ABOUT ALAN HOCKEY**

Alan Hockey is the Operations Director at Corner Bakery. With more than 10 years operational experience in senior management positions in the Momentum Group of companies, he left the corporate world to become an Executive Trainer and Business Consultant with a multi-national business process improvement consultancy. Alan leveraged his operational experience and business improvement consultancy skills into developing and refining the bakery operational processes and optimising the IT systems.

- Would you make the cut as a franchisee? - 6 Dec 2019
- A no-fail way to get your product to market - 12 Sep 2019
- The core of food safety is centralised bakery facilities - 8 Aug 2019
- 5 reasons why your next investment should be a franchise - 3 Jul 2019

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>