

— PROFIT —

# FRANCHISING



VIDEO  
TRANSCRIPT  
FOUR



**COACHING ACADEMY SPECIALIST**  
Where Small Businesses Grow

## Video Transcript Four

### Franchising

**We're now going to talk about franchising your business.**

Straight away I come across people saying, "No, I don't believe in franchising, I don't like the idea of franchising."

I'm going to encourage you big time to open your mind and consider that there's a really good reason why you should consider it.

**There are five key elements to franchising that will strengthen your business by just going through the thought process.**

**1. Number one, it helps you get you into the right state of mind in terms of documenting your systems and procedures.**

It's going to help you justify and force you to do just that. If you never franchise your business, that'll be a huge asset and a huge strength to the growth of your business.

But for franchising it, you would essentially have to have all those procedures and systems documented. It's an excellent mindset whether you Franchise or not.

**2. The second point that's going to help you in terms of the concept of franchising is your brand and the marketing of your brand.**

Notwithstanding the fact that you might, at the moment, have just one unit, that you want to make a success of, and somebody's saying to you, "Why not think of a whole bunch of franchises around the country or around Europe or around the world," and you say, "That's a bridge too far," I would say that will help you in your brand marketing to think big and to think in terms of multiple outlets that will cost you nothing at this stage apart from the mindset.

So you will get huge benefit and a huge value from thinking globally, from thinking of multiple franchises around the world that you can put together quite easily, but it'll help force you on getting your brand right.

**Because what's good for the brand around the world will also be very good for your brand at home.**

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### Franchising/Continued....

#### **3. Point number three is the growth of your business.**

To grow your business, it's inevitable that you're going to have to employ salespeople whether it's 1, 2, 3, or 23. And there's a massive cost that goes with the hiring, the training, and the development, and sadly, the firing of these salespeople who all achieve different levels of success. There's a huge cost to that.

With Franchising your business, you'll find yourself with self-employed agents who are out there investing in their own development and their own training and they've got their own best reasons for why they should make it a success, selling your product or service.

So it's a massive opportunity to grow your business and think in terms of franchising it and having self-employed agents out there selling your product or service.

#### **4. And the next element, which is hugely important to franchising, is group purchasing.**

There's no doubt that whatever volumes of the raw material that you bring into your business at the moment, you'll negotiate best price. But it is also a reality that if you can buy it in much bigger volumes, you'll be able to negotiate a better price. Because for every few percentage points that you get off the cost price of your material to bring into your business, it's going to go straight to your bottom line and will help you enormously without any great cost to yourself.

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### Franchising/Continued....

#### **5. Another huge factor in franchising your business is how it's going to help you with your cash-flow.**

Cash-flow – it's inevitable that what affects it more than anything is having to buy the stock in and having it sit on your shelves hoping for your customers to buy it.

The second issue, of course, is getting paid for that same stock that you've sold on.

With franchise or franchisee relationship, you get rid of both of those problems in that the stock that comes in goes, in fact, straight to your franchisees who are billed immediately for it.

**So you do not have that issue of buying stock wondering when you're going to sell it because your franchisee takes on that responsibility.**

The second issue is in giving credit, and your franchisees are the ones who will determine what credit they want to give.

So they're the ones who are going to sit on that risk. So you will not have to worry about giving credit because you won't be giving it; your franchisees will do that and you will have got paid for your stock and you will take a margin on their success. And indeed, not on their failures or their attempts to do it, but on their success.

**So those are the key elements to why you should seriously consider franchising at some stage in your business.**

**DON'T FORGET TO WATCH THE  
"FRANCHISING" VIDEO.**