

A Personal Journey Into Franchising

Keeping you up to date with franchise news & updates.

A Personal Journey Into Franchising

September 16, 2021

Having been made redundant twice in 15 years I decided that it was time I took control of my future and started a serious search for a role that would make use of my skills and allow me to be in charge of my destiny, but at the same time provide for my growing family and give me security for the future. This is my personal journey into franchising.

I wanted to start my own business but quickly realised that it takes time, perhaps years, to think of the idea, work up the systems and get your brand into the market place - years of large investment and small returns.

What I wanted was a ready-made business that I could buy and spotting an

advertisement for the **Franchise Exhibition at the NEC** that year I decided to go and see what it was all about.

What an eye-opener! Looking at all the franchise opportunities on offer I knew immediately that this was the answer – buying into an established proven business, with training and on-going support. I also realised that, as all the exhibitors were accredited by the **British Franchise Association**, they were genuine and credible Franchisors.

Attending the various seminars held during the day filled the gaps in my knowledge and gave me confidence. This started the process that would eventually see me as a Franchisee, and then, some years later when I bought the company, as a Franchisor, and now a bfa Affiliated Franchise Consultant helping other companies to establish and sell their franchises.

So - where did I start this journey?

Firstly, I listed all my skills, as well as my interests and ambitions, and discussed with my wife all the franchise opportunities that I had short listed from the exhibition. I knew that her support would be vital and wanted her to be part of the decision making.

Then I called the companies that I was interested in and arranged meetings. I wanted to see for myself the offices and the people who ran the business. My priority was to ensure that the business was well established with a good long-term demand for the product or service with a growing customer base, had a stable franchise network and a long-term plan for development.

I also wanted to be quite sure that I would be properly trained, both initially and during the life of the franchise, and supported as I grew the business. I had learnt from the exhibition seminars that personal support from the Franchisor and the franchise relationship staff, one to one meetings, group meetings and training sessions are the life blood of a successful franchise.

Narrowing my choice down to three I asked for more detailed financial information, and I also asked if I could talk to existing franchisees to get an insight from the front line. I was asked to sign Non-Disclosure agreements, which I gladly did as It showed that the Franchisors were willing to show me the inside track and were confident of their offer.

The Non-Disclosure Agreement

The NDA allowed me to involve my accountant and a solicitor, which it is really important for peace of mind and allowed us to narrow the search to the one that satisfied all my requirements and was OK'd by the Solicitor and Accountant.

Talking to the existing Franchisees was very useful – their willingness, or not, to be open about their progress and the Franchisor's help and support, told me more about the Franchise and the Franchisor than I could have ever imagined – in fact this did as much if not more than anything else to help me make my decision.

After several more meetings with the Franchisor, we both agreed that I had the right background and skills and would be a good fit with his network. The financial illustration that I was shown tallied with what some Franchisees had been willing to tell me about their business, and I was satisfied that the business was sound, had a good long-term future, would quickly repay my investment and give me financial security. We agreed the area that I would buy.

Signing the Intent to Proceed letter and paying the deposit to secure the agreed area gave me twelve weeks to prepare my business plan and raise the necessary funds. I knew that I would need to raise some funding for the initial payment in order to preserve my available cash for working capital. The bank or lender will want to see a well thought out plan, based on the financial information provided by the Franchisor demonstrating that the business is financially viable, which shows how you will use the funding to start and develop the business and how you will repay the loan.

Constructing A Business Plan

It is always good business practice to develop a plan covering – the immediate short term – year one, the medium term – the first three years, and the long term – the life of the franchise and beyond. My accountant helped me construct the plan including the information lenders will need to see. I see my business plan as a dynamic document that will change as the business develops and allow me to measure actual performance against budget. My Franchisor wanted sight of the plan as well to ensure that I was not either setting my goals too high or too low. He also wanted to be sure that I would exploit the area to its fullest potential.

My Franchisor directed me to the banks that are keen on lending to Franchisees – Barclays, HSBC, Lloyds and Natwest, have specialist franchise departments, all staffed by experienced people who understand the franchise industry and can provide invaluable

input to your decision-making process. The bank I chose, as I was already a customer, asked for the offer document I had been given, the legal agreement and my detailed business plan.

To make sure that I was credit worthy and there were no nasty surprises I checked my credit rating which you can easily do through companies such as Experian Credit Checker or ClearScore.

The Crucial First Year Of Business

The first year was critical in establishing my new business, my time could have been consumed by the day to day minutiae of running the business – but I was careful not to lose sight of the big picture – keeping a close eye on cash flow, ensuring that I got paid within terms by my customers, striving to get the best price for supplies and using suppliers credit terms sensibly.

Importantly too I constantly monitored performance against my plan and met regularly with the Franchise Manager so that I could get a critical assessment of my areas progress against other areas. My best friend was my accountant who could look into the business from the outside and be objectively critical if necessary and ensure that any adjustments to the plan are made.

Friends told me how lucky I was to have found a great franchise business, how lucky I was to be successful, to be my own boss. Little did they know that luck is not part of it – it is taking care, doing due diligence, asking the right questions, and listening very carefully to the answers. And then working hard to build what will be a valuable asset if and when you decide to retire.

Good Luck with your search – make full use of the exhibition, visit as many Franchises as you can, go to as many seminars as you have time for, but above all let your head rule your heart, do your due diligence, take your time, get professionals to advise you, enjoy the process.

By **Richard Langrick** – Franchise Consultant at **Ashtons Franchise Consulting**.



How can we help?

If you have an enquiry or you would like to find out more about our services, why not contact us?

01603 703254

Make an enquiry

Request a Callback

Follow us



