



Franchising Provides a Safety Net for Entrepreneurs

If you were trying an aerial trapeze stunt for the first time, would you do it without a net and safety harness? You probably would not because chances are very good that you would fall. The same holds true for business ownership. If you've never been your own boss, doing it alone could be difficult, scary, and full of the unknown.

Statistics from the Small Business Administration show that one third of all new businesses do not survive their first two years. What is often missing from those failed businesses is a safety net – which is the very thing provided by franchising.

Just how does a company become a franchise? Here are the steps most franchisors go through before you even hear of the company.

1. Franchising comes after a start-up business experiences success. They've learned what works and what doesn't, made adjustments, tried a variety of strategies, tested and re-tested. Finally they have documented results and a system in place and want to grow. This is when they open a few franchises and retest every assumption.
2. More adjustments are made and a few more franchises are awarded and opened, usually in a small number of test areas.
3. With data coming from a variety of sources, the business can determine what type of marketing works and in what areas. Are customer expectations being met? Word of mouth will make or break any business concept.
4. Franchisees in this new system are also sharing information with each other. Are they happy? Is the corporate office supporting them? Franchisee input is an invaluable resource. They've invested their own money, time and talent into the business and want their share of the pie.
5. Once everything is working well, major expansion of the franchise concept begins. A good franchisor will offer continuing support and training to franchisees, putting as much time into keeping the business on track as they do into growing it. Due diligence – asking the existing franchisees about the company – is of premier importance to those considering investment.

This is the safety net a franchise provides: a tried and proven concept with operations, marketing, distribution, accounting, technical support, brand, etc. all in place, tested, retested and ready for a sharp, hard working entrepreneur to join the team.

Growing a business through franchising obviously works. According to a recent comprehensive research study on the economic impact of franchising, there are 732,842 business format franchise establishments providing more than 7.6 million jobs, generating \$674 billion in economic output and 2.5 percent of the Gross Domestic Product (GDP) for the U.S. economy. There are other advantages of franchise ownership beyond having all the systems set up for you. Most franchise businesses will allow someone with little experience in a particular arena to learn new skills, and to build a thriving business using the system provided by the franchise company.

For example, say you've had 20 years of corporate life working in human resources. You see your future as a dead end and would like to spend the next 20 years building a business that would create wealth for you and your family, instead of someone else.

Maybe your real passions are raising Jack Russell terriers, auto racing and landscaping, but you haven't much experience in these areas. There's no need to delay your new career years while you learn new skills.

Everything you'd like to know – from dog training to auto detailing to planning sprinkler systems – can be learned from a franchisor. A good franchisor will have detailed training and ongoing support, including manuals, conferences, web info and a dedicated corporate staff to help you with every aspect of your business.

Here are more examples of how joining a franchise system may be better for you than starting a business on your own:

Say you want to change careers but don't have the cash to keep afloat for many months while waiting for your business to break even and start putting the jingle in your pocket.

There are many franchise businesses available which are structured for a quick ramp up, break even, and cash flow. If you can follow the system, you definitely increase the chances that you can be successful.

You love the idea of being in business for yourself but don't want to manage a team of employees.

Not all franchises have drive up windows. There are many great concepts, including businesses you may never have thought about, you could run yourself or with a small staff. Franchisor support and networking with other franchisees allows you to be in business by yourself, for yourself, without going it alone.

Perhaps you'd really like to make a difference in your community but don't know how to make a living and still make a valuable contribution.

There are franchises that let you bring art or computer training to children – subjects that are being cut in many school districts. Senior care concepts are also a hot category right now, right up there with health and fitness. With help from a strong franchise system, you can let loose your altruistic self while still taking care of your family.

With over 3500 franchise concepts in the US today, there's never been a better time or a better place to follow your dream of business ownership. Franchising, truly, could be the secret to your success!