



FRANCHISING

WHAT IS IT?

The creation of a distribution channel to build brand identity and attain market dominance... QUICKLY!

Franchises give you:

- A license to use
 - Name and Trademarks
 - Products
 - Business Systems
- In exchange for:
 - Initial franchise fee
 - Ongoing royalties

TheCaseSolutions.com



GOVERNMENT DISCLOSURE

FRANCHISE DISCLOSURE DOCUMENT

Franchise Info	Costs	Franchise Agreement
<ul style="list-style-type: none"> - Start-Up Costs - Business Experience - Background - Litigation 	<ul style="list-style-type: none"> - Franchise Fee - Royalty Fee - Other Fees - Working Capital - Expenses 	<ul style="list-style-type: none"> - Obligations for Franchisor & Franchisee - Termination - Selling and Control of Units - Control of Business - Real Estate Issues - Intellectual Property - Management - Renewal, Extension & Transfer Rights



TOPICS FOR DISCUSSION

- Overview of Franchise Business Model
- Myths & Realities of Franchising
- How to Find Your Fit
- Minimizing Risk via Research

TheCaseSolutions.com



OTHER CONSIDERATIONS

- A business that brings less than \$500K into the service market requires \$1.5M in working capital
- Participation needs to be supportive
- You need some investment capital. Ideally around \$250K and be able to support your personal continued for 18 months.
- You have created a partnership agreement with professional assistance (Attorney, CPA) (Bring this business with a partner)

Pro-Tip Challenge
How many are willing to do this? (Number under the wheel always represents reality and the numbers above are just numbers)

PROFESSIONAL RESOURCES

- Franchise Consultant
- Franchise Attorney
- Accountant



WHY OWN A FRANCHISE?

There are several reasons to consider why you should own a franchise:

- Proven Business Model
- Established Brand
- Marketing Support
- Training and Ongoing Support
- Access to Capital
- Economies of Scale
- Reduced Risk
- Flexibility in Ownership

For more information, visit us at www.TheCaseSolutions.com or call us at 1-800-850-1010.



FRANCHISES AREN'T ALL THE SAME

MAKE SURE IT'S A GOOD FIT FOR YOU!

- Many Units vs. Fewer Units
- Mature vs. Emerging
- Structured vs. Flexible Systems
- B2B vs. B2C

- Big franchisors allow the percentages because they had few failures
- Not all units are still run by the founder
- There are no average franchises
- You should only care about your success

Pepsi Cola Pakistan: Franchising & Product Line Management

TheCaseSolutions.com



FRANCHISING

WHAT IS IT?

The creation of a distribution channel to build brand identity and attain market dominance... QUICKLY!

Franchises give you...

- A license to use
 - Name and Trademarks
 - Products
 - Business Systems
- In exchange for:
 - Initial franchise fee
 - Ongoing royalties

TheCaseSolutions.com



GOVERNMENT DISCLOSURE

FRANCHISE DISCLOSURE DOCUMENT

Franchise Info	Costs	Franchise Agreement
<ul style="list-style-type: none"> - Start-Up Costs - Business Experience - Background - Litigation 	<ul style="list-style-type: none"> - Total Investment - Franchise Fee - Other Fees - Working Capital - Royalties 	<ul style="list-style-type: none"> - Obligations for Franchisor & Franchisee - Territory - Length and Control of Term - Transfer, Buy/Sell - Renewal Process - Advertising Costs - Financial Statements - Management - Records, Remediation & Franchise Refund



TOPICS FOR DISCUSSION

- Overview of Franchise Business Model
- Myths & Realities of Franchising
- How to Find Your Fit
- Minimizing Risk via Research

TheCaseSolutions.com



OTHER CONSIDERATIONS

- A business that brings less than \$500K into the service market requires \$1.5M in working capital
- Participation needs to be supportive
- You need some investment capital. Ideally around \$250K and be able to support your personal continued for 18-24 months
- You have created a partnership agreement with professional assistance (Attorney, CPA) (Bring this business with a partner)

Pro-Tip Challenge
How many are willing to do this? (Number means you would change your mind and wouldn't change your mind for a challenge)

PROFESSIONAL RESOURCES

- Franchise Consultant
- Franchise Attorney
- Accountant



WHY OWN A FRANCHISE?

There are several reasons why you should own a franchise:

- Proven Business Model
- Established Brand
- Marketing Support
- Training & Support
- Access to Capital
- Economies of Scale
- Reduced Risk
- Flexibility
- Location Assistance
- Ongoing Support
- Access to Suppliers
- Access to Customers
- Access to Talent
- Access to Technology
- Access to Research & Development
- Access to Distribution Channels
- Access to Regulatory Compliance
- Access to Intellectual Property
- Access to Human Resources
- Access to Financial Resources
- Access to Information Resources
- Access to Knowledge Resources
- Access to Skills Resources
- Access to Social Resources
- Access to Cultural Resources
- Access to Environmental Resources
- Access to Geographical Resources
- Access to Demographic Resources
- Access to Psychographic Resources
- Access to Behavioral Resources
- Access to Attitudinal Resources
- Access to Motivational Resources
- Access to Emotional Resources
- Access to Sensory Resources
- Access to Cognitive Resources
- Access to Affective Resources
- Access to Conative Resources
- Access to Volitional Resources
- Access to Intellectual Resources
- Access to Emotional Resources
- Access to Behavioral Resources
- Access to Attitudinal Resources
- Access to Motivational Resources
- Access to Sensory Resources
- Access to Cognitive Resources
- Access to Affective Resources
- Access to Conative Resources
- Access to Volitional Resources

For more information, visit us at www.TheCaseSolutions.com or call us at 1-800-850-8500.



Pepsi Cola Pakistan: Franchising & Product Line Management

FRANCHISES AREN'T ALL THE SAME

MAKE SURE IT'S A GOOD FIT FOR YOU!

- Many Units vs. Fewer Units
- Mature vs. Emerging
- Structured vs. Flexible Systems
- B2B vs. B2C
- Big franchisors allow the percentages because they had few failures
- Not all units are still run by the founder
- There are no average franchises
- You should only care about your success

TheCaseSolutions.com

TOPICS FOR DISCUSSION

- *Overview of Franchise Business Model*
- *Myths & Realities of Franchising*
- *How to Find Your Fit*
- *Minimizing Risk via Research*

TheCaseSolutions.com

FRANCHISING

WHAT IS IT?

The creation of a distribution channel to build brand identity and attain market dominance... QUICKLY!

Franchises give you...

- A license to use:
 - Name and Trademarks
 - Products
 - Business Systems
- In exchange for:
 - Initial franchise fee
 - Ongoing royalties

TheCaseSolutions.com



SION

ADVANTAGES

- *A proven, time-tested business model that works*
- *Predictable future results*
- *Attractive to lenders*
- *Transparent due diligence process with the franchisor and existing franchisees*
- *Recognized brand name and turn-key operating systems*

DISADVANTAGES

- *An seemingly endless and overwhelming number of concepts to choose from*
- *Paying a franchise fee*
- *Royalties*
- *Reporting, compliance, and mandatory attendance for training, annual conferences, etc*

MYTH #1

ONLY FAST FOOD AND RETAIL.

- *Over 3,100 different franchise companies*
- *In more than 80 industries*
- *With over 900,000 operating units*

TheCaseSolutions.com

MYTH #2

FRANCHISES SUCCEED BECAUSE OF PRODUCT QUALITY.

TheCaseSolutions.com

Example:

- *Can you make a hamburger?*
- *Is your hamburger better than McDonald's?*

*If it is not the product than what is it? It's about the Business System.
Marketing // Sales // Operations // Accounting*

MYTH #3

TheCaseSolutions.com

SUCCESSFUL FRANCHISES EMERGE IN A NEW INDUSTRY WITH NO NEW COMPETITORS.

Successful franchises emerge from well established industries by creating consolidation.

- It's The System*
- McDonald's started when there was a burger joint on every corner*
- More recent examples are in Consumer and Business services*

MYTH #4

FRANCHISES ARE EXPENSIVE.

<i>Average Initial Investment Range</i>	<i>Percentage</i>
<i>Under \$50,000</i>	<i>13%</i>
<i>\$50,001 to \$100,000</i>	<i>17%</i>
<i>\$100,001 to \$250,000</i>	<i>28%</i>
<i>\$250,001 to \$500,000</i>	<i>23%</i>
<i>Over \$500,000</i>	<i>18%</i>

TheCaseSolutions.com