



BY DICK MUELLER

Looking to Start Your Own Business?

Consider the advantages of owning a franchise.

If you are considering a career change, or starting a business, buying a franchise is a way to minimize risk by adopting a proven formula and advantage your venture with the resources of the franchisor.

The franchise industry is huge, diverse and still growing more than 150 years after the Singer Sewing Machine Company started selling franchises in the 1850's. Today there are over 850,000 franchise establishments operating worldwide, supporting 18 million jobs and creating over \$2.1 trillion in economic output. Franchise businesses are expected to grow faster and create more jobs than the rest of the economy again in 2014.

There are 4,000+ franchising companies in 80 to 90 different business categories offering business opportunities in industries as diverse as automotive, child care, computers, dry cleaning, education, environmental, fitness, health & beauty, maintenance, recreation, senior care and staffing. In the food industry there is everything from kiosk to full service restaurant.

Although most are retail establishments, business-to-business franchises, including environmental, Internet, paralegal and training services lead the list of new franchise formats. Executives who have worked for companies in these industries but see their future opportunities limited in a corporate structure can apply their knowledge and experience within the business model of a franchisor to start their own business.

So, what exactly is franchising? Technically, it is a relationship between a parent company and an independent owner in which the independent party, for a financial fee, acquires characteristics and elements from the parent. These elements can include identity, imagery, site selection, training or supplies. The individual who owns the original business or product is the "franchisor" and grants to the "franchisee" the rights to sell or distribute a product or service and utilize business processes and tools developed by the franchisor.

Franchises can cost as low as tens of thousands of dollars up to more than a million. Firehouse Subs, a hot food



concept, charges a franchise fee of \$20,000. Total startup investment with build-out is a minimum of \$170,000. In most franchises you also pay the franchisor a royalty fee each year, usually a single-digit percentage of sales, and you may also be required to contribute to a marketing fund. Some franchise ownership requires you to work in the business, or it can be semi-absentee ownership.

Your franchise business could be home-based or mobile. There are more than thirty industries in which home-based franchises are offered, including tutoring, medical building and small business coaching. JWilliams Staffing is the leading staffing agency serving the real estate, home building and property/apartment management industries. They offer exclusive territories, a franchise fee of \$39,000 and as a home-based business there are not build-out or rental costs.

Selecting the right franchise that meets your business ownership and personal goals can be difficult on your own. Often the best first step is to seek the advice of a franchise consultant who can help you determine whether a franchise meets your needs and capabilities, and can also help you select among the many franchise opportunities, as well as with financing and business planning.

Dick Mueller is a member of the International Franchise Association, and owner and franchise consultant at FranSelect, Franchise Selection Evaluation Consultants. They take prospective entrepreneurs through an evaluation and selection process that helps them to invest in the right franchise and avoid investing in a franchise that does not match their goals. A FranSelect consultant can help you to navigate through the process with a free franchise selection consultation. To get started you can go to www.fransselect.com or call 636-530-6925.

*If you own a business and would like to consider expanding it through franchising, Dick has over 30 years experience developing and expanding successful franchise brands across the country, and is also a franchise owner. The FranSelect team offers services in franchise assessment, consulting, operating and financing. **clm***