



Your opportunity to become a . . .

Centre of franchise expertise. . .

**Catalyst for community
transformation. . .**

***Mr Franchise* franchisee**



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Marketplace

Mr Franchise facilitates the establishment of new franchised businesses. We operate in a growing marketplace where an increasing number of people wish to get into business ownership for themselves. When you consider the current hard facts, the potential for the *Mr Franchise* matchmaking service is phenomenal:

- Every year around 400,000 new limited companies are registered (and these are additional to people setting up in business as sole traders/partnerships).¹
- According to the recent BFA/NatWest franchise survey, less than 4,000 new franchised businesses are set-up - ie less than 1% of the new business formations.²
- This is very surprising, since after 5 years, around 80% of new businesses will no longer be trading³, whereas 90%+ well-structured franchises will be flourishing⁴.
- In addition, if you speak to locally-based 'business advisors' (Chambers of Commerce etc), you will find both a lack of awareness and a lack of knowledge about franchising.
- Most outplacement companies working with executives who have been made redundant, do not suggest that their clients consider franchise ownership.
- Whilst banks are very supportive of the franchise sector (lower risk etc), in general, they do not suggest to prospective new start-up enterprises that they look at franchising as an alternative to DIY - even though they know that the chances of that business achieving long-term success are less than 20%.
- And finally, in a recessionary climate where the government knows that the creation of new SME's are their best route to economic recovery, you will not hear very much talk about franchising.

¹ http://www.companieshouse.gov.uk/about/pdf/companiesRegActivities2011_2012.pdf

² BFA/NatWest Survey 2012

³ <http://www.financialpreneur.com/?p=41>

⁴ NatWest- BFA Survey 2012

The foregoing should be a huge encouragement to you; the sector is flourishing despite this woeful ignorance amongst those who should know better, and in our experience, virtually all of the parties mentioned above would welcome the presence of a competent independent advisor who could help to educate the market, and provide brokerage services for those wishing to acquire a suitable franchise.

The franchise sector itself continues to expand; some recent surveys put the number of UK franchise brands at over 1400⁵ and the range of services/products offered through these franchises is becoming ever broader - so there is a huge choice for those considering investing in franchise ownership.

All of this highlights the other major challenge for prospective franchisees - with such a choice, how do you find the 'right' one? Exhibitions? Web portals? Magazines? All of these can help educate, but often will leave the visitor feeling more confused than before they started their search; hence the appeal of a competent, qualified franchise broker.

Whilst technology will advance, and brands will change, it's hard to see what could remove the desirability for both a prospective franchisee and franchisor using the services of a professional matchmaking service. With only one national competitor (who operates very differently), *Mr Franchise* is in a fantastic place to serve the community, and build a major national brand.

⁵ The UK Franchise Industry Research Report 2013 – University of East Anglia

The *Mr Franchise* Business Model

Our Service

Mr Franchise helps individuals who wish to consider owning their own business to:

- determine whether or not they are suited to such a career move
- decide if franchising could be a good option for them
- determine which franchise(s) would be most suitable given their personal attributes, requirements and resources.

We do this through a structured process of:

- initial meeting to carry out a fact-find & complete an on-line profile
- second meeting to present report and recommendations
- third step to agree which brand is preferred (from the recommendations), and manage the on-going discovery process for that concept
- 'handhold' candidate through to completion on preferred brand, or with an alternative, as appropriate.

Our Customers

Candidates - individuals who wish to consider business/franchise ownership.

Franchisors - we only work with proven and successful franchise concepts - our 'portfolio' of brands includes sufficient options to enable us to recommend to candidates relevant concepts based on:

- Investment level
- Geographic availability
- Vertical market
- Business model
(eg home-based, man & van, management, etc)

Our franchisor clients will normally be members of the British Franchise Association.

Our Sales Process

Franchisors

With over 350 franchisor members of the British Franchise Association, we have a lot of scope to choose with whom we wish to work. At any one time, our brand portfolio might comprise circa 40 franchisors. This is dynamic, based on candidate requirements, franchisor performance, and territory availability.

We do not have any difficulties securing relationships with franchisors - since they only pay a fee when they recruit a franchisee through us, they can only benefit from being a portfolio member.

We validate the quality of the franchise by speaking with their existing franchisees.

Candidates

As per our vision, our consultants' focus is on becoming known in their region, as the franchise expert, hence the name "*Mr Franchise*" - with the ability to either deliver relevant services directly, or through an associated service provider. This should result in the receipt of candidate referrals through a small number of 'referral partners', where there is a synergy in terms of service provision (eg Independent Financial Advisers who focus on 'life planning')

In addition to building a referral network, our consultants run regular seminars for individuals wishing to consider going into business for themselves. From these seminars, candidates are 'recruited' for the *Mr Franchise* service. Seminar

delegates are secured through web-site marketing, email shots, direct mail, through referral partners etc.

Although each consultant has a local web-page, we don't make extensive use of social media & web-based lead generation, since we have limited geographic coverage currently (service provision in the Black Country and the North West). As our consultant network grows we will look to make more use of these technologies.

Performance Indicators

Our fee structure works as follows:

- £250-£500 commitment fee from each candidate who goes through the matchmaking system. This fee is refunded if the candidate completes our full service, and invests in a franchise as a consequence.
- Success Fee paid by franchisor to *Mr Franchise* - 20% of their franchise fee or £5K, whichever is the greater (we do occasionally work with lower value franchises, where we will take a smaller fee, to enable us to provide a service to everyone who has the attributes for franchise ownership.)

Costs you will incur are as follows:

- Management Service Fee (MSF): 10% of revenues.
- Marketing Levy: 5% of revenues.
- Local Charity Support: 2.5% of revenues.
- Office & travel expenses in your region.

Potential earnings:

- Key variables are number of clients committing to the service, completion of sales, and average success fee earned.
- For illustrative purposes only, if you secure 6 new clients per month, and 2 of these invest in franchises as a result of your efforts, and with an average fee of £5k, you will be billing at a rate of £10K per month.

- In your first year, you should assume no success fee income for the first six months, and a steady build up to 2 placements a month during Q1 of your second year of trading.
- We will run through some typical earnings scenarios with you, should you wish to look at the *Mr Franchise* opportunity in greater detail.

Mr Franchise's Credentials

Proven expertise.

The Directors have extensive small business and franchise experience

- Iain Martin
 - British Franchise Association accredited 'Qualified Franchise Professional' (QFP)
 - Franchisee, Franchisor and franchisee recruitment service provider since 1994.
 - Director of Kyros Franchising Ltd & Franchise Resales Ltd.

- Brian Armstrong
 - Extensive experience of running small businesses and advising small business owners.
 - Currently gaining QFP accreditation.
 - Direct franchise service industry experience since 2005.

Established Pilot Operations

Pilot Franchises operating in the Cheshire & Lancashire

- Lancashire franchisee has extensive franchise industry experience, and would work with new *Mr Franchise* consultants to help them to become established successfully.

Community Focus

The business model incorporates a strong local community focus - charitable commitment, local networking strategy.

National Vision

No other provider of franchise brokerage services has a vision for a national network of locally-based franchise experts who have become part of their local business advisory landscape.

The *Mr Franchise* Franchisee Package

Comprehensive Training

- In-house training at Head Office and in your territory - covering all aspects of methodology, brands with which we work, marketing and all other aspects of the business model.
- Registered for Referral Institute 'Certified Networker' course, which runs over a 3 month period.
- Registration for the British Franchise Association Qualified Franchise Professional qualification - this will happen once *Mr Franchise* becomes a member of the BFA, which will be in 2015.

Launch Marketing Programme

- Seminars for 'referral partners', and prospective clients
- Leaflet drops
- Social media campaign
- PR campaign
- Joint activity with local business associations (eg Chamber of Commerce)

Stationery/Marketing Pack

- Leaflets, business cards, lapel badge
- Exhibition banners
- Plaque for local office
- Templates for other stationery items

Technology/software

- Database
- Email
- Set-up of local website

Support - initial & on-going

- Regular communication via email, teleconference, and meetings to support our franchisees in achieving their business plan
- Availability for presentations to prospective clients or partners

Operations Manual

- Covering all aspects of running a successful *Mr Franchise* brokerage & consultancy.

Your credentials

A successful *Mr Franchise* franchisee will have the following 'essential' attributes:

- Vision to become a centre of excellence for the promotion and creation of ethical franchised businesses in your locale.
- Live in your proposed *Mr Franchise* region
- Proven sales & marketing capability - ideally including the use of networking.
- Great interpersonal skills - especially one-to-one communication
- Service Orientation - with a strong desire to help others achieve their life goals
- Supportive Home Environment - ideally with a working spouse/partner to ease financial pressures during start-up phase.
- Analytical Skills - the ability to identify core characteristics of a candidate, and match to a relevant concept
- Self-motivated - ability to work successfully from a home-office.
- Financial capability - see next section.

In addition to the foregoing, if you have existing networks that you can 'tap into', that would be a real bonus; so too, some past involvement in the franchise sector, but neither of these attributes is essential for you to be successful with *Mr Franchise*.

Your Investment

- The franchise fee is £19,950 + VAT
- Additional costs which you may incur (eg suitable IT equipment/software) mean that you should allow for another £3,000 of set-up costs.
- Finally, there is the working capital requirement - this will cover both general running costs (travel, meeting rooms, etc), plus of course your own drawings

requirement to cover domestic expenses. We recommend that you assume that the business will not generate any revenue for drawings, until month 7.

- If our franchise is of interest, we can provide you with a template business plan, which will enable you to produce a personalised cash flow model.

Next Steps

Call or write to Iain Martin to initiate the following:

- Initial telephone conversation
- Signing of an NDA, and provision of template planning documents
- Provision of CV
- Appointment scheduled at Mr Franchise Head Office - meet Iain Martin, Brian Armstrong, and our support team.
- Due diligence undertaken - conversations with existing franchisees/customers
- Second meeting to finalise territory, training/launch timetable.
- Sign Franchise Agreement, pay Franchise Fee, and plan for the launch of your *Mr Franchise* business

Contact details:

To find out more about this exciting opportunity, please call Iain Martin 01562 261162 or email to: iainm@mrfranchise.net for an initial discussion.

Mr Franchise Ltd, a company registered in the UK under registration number 07401135.

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