

Corporate & Commercial

# Specialist support for your franchise business



# Let's get started

Franchising has helped hundreds of thousands of people to run their own business. But as with any business there are lots of things to think about. We've created this guide to talk you through the basics and help you on the path to becoming a successful franchisee.

## Is franchising right for you?

Starting up a new business always carries a risk, but a franchise can reduce it. That's because you're using the proven business system of your franchisor. They've already gone through the process of finding out what works and what doesn't, and are on hand to help you replicate their success.



There are nearly

# 40,000

franchisee-owned units in the UK



The franchise sector generates almost

# £14bn

in revenue annually



It's statistically a safer route to self-employment.

**Around**

# 90%

of franchisees have reported profitability, for more than 20 years consecutively

All statistics sourced from the annual NatWest/British Franchise Association Franchise Survey.

# Choosing a franchise

Together with the British Franchise Association (bfa) here are a few things we suggest you consider.

## **Choose a sector that you're interested in**

The hard part is settling on an industry to work in, so choose a business you'll be happy to work in day-after-day. Think about the kind of hours you're prepared to work. Some franchise businesses operate during office hours, while others do most of their work during evenings and weekends.

## **Does the franchise run a tight ship?**

All franchises have rules to help them maintain the consistency of their products, services and the brand itself. You'll often be provided with an operations manual that provides all the information you need to operate that business. Be a little cautious if there are no measures in place to help you deliver to specific standards.

## **Do your homework**

It's worth getting a really comprehensive understanding of whether it's a good franchise to get involved with. Check out their business stability and make sure the franchisor has operated for a number of years to prove the business works. Find out when the business started and when they started to franchise.

## **Make sure you're aware of any restrictions**

You'll have to accept any restrictions placed on you by the franchisor, including those that apply if you decide to leave.

## **Why have former franchisees failed?**

As with any business, franchising is not a guarantee, but it's important to know why franchisees fail. These are some of the questions you should consider: is it because the market declined? Is it from lack of franchisor support? Or is down to inexperienced staff?

## **Speak to as many operating franchisees as you can**

Do your research and get a view of what life is like in the network. Don't accept the views of the one franchisee you've been introduced to by the franchisor – they might not be particularly representative. Try to speak to a range of people: those who have been very successful, and those who've been less so.

## **Don't forget to read the small print**

Both parties will be required to sign a Franchise Agreement, so make sure you've read all of it and fully understand it before you do. Take note of any upfront fees and always seek independent legal advice before you sign on the dotted line.

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You need to be sure you trust them and can work with them – it will make life a lot easier in the long run

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# Tap into our specialist expertise

## We're here to help you

We believe in building long-term relationships that make a real difference. That's why all our franchisee customers have their own dedicated franchise manager. Yours will quickly become a trusted partner – someone who understands your needs and works with you to help you achieve your goals.

Being local, your franchise manager will be around to discuss your business when it suits you – outside working hours if needs be. They'll meet you at your place, a local branch or business centre, or even further afield. And when you call or email, it'll be directly to them.

Our franchise managers have an excellent understanding of the franchise industry and the economic trends that affect it. They also have in-depth understanding and experience of your local trading environment. By sharing this knowledge with you, they can make a genuine difference to the success of your business.

## Some other reasons to bank with us include:

- An experienced local service
- Complete support, from day-to-day banking to financial planning for the future
- Access to a network of solicitors and accountants with franchising experience
- Helpful online tools including Franchise Library factsheets and free seminars
- Simplified banking so you can get on with running your business

## Banking how and when it suits you

As well as your own local franchise manager, you'll have an experienced business support team behind you. They'll be on hand 24/7 to help with all your general banking needs.



We've got over 30 years' experience in helping franchisees achieve their dreams



We were the first bank in Britain to set up a dedicated franchise department

Security may be required. Product fees may apply. Over 18s only.

**ANY PROPERTY USED AS SECURITY, WHICH MAY INCLUDE YOUR HOME, MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER DEBT SECURED ON IT**

# Reasons to become a franchisee

## Proven business format

In most cases you're buying into a proven business model. You'll be using the franchisor's good name, know-how and tried and tested products or services, which will help increase your business success.

## Everything's already in place

Systems, procedures and guidance on all aspects of running the business.

## You'll get training and ongoing support

Expertise, advice, tips and personal experience. It's all readily available to help you overcome whatever life throws at you and get your business growing from the word go.

## It's already an established brand

Recognised locally and maybe even internationally, you'll inherit a loyal customer base before you've even started.

## There's a huge range of sectors to choose from

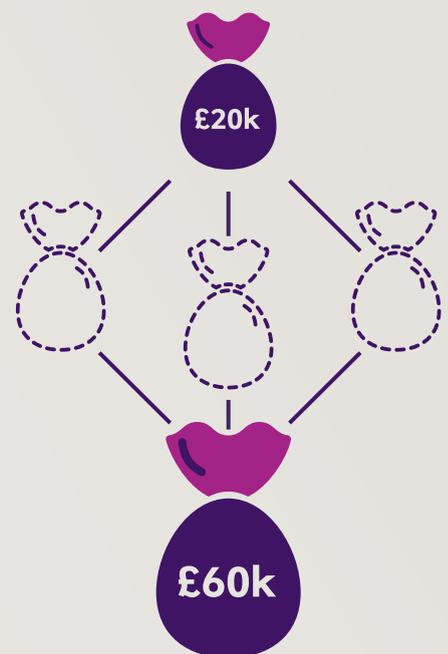
They're diverse and open to everyone.

## Easier access to funding to help get you started

Bankers usually look at successful franchise operations as having lower risk and are more likely to loan you money.

Becoming a franchisee is a big decision. It takes personal commitment, business skills and a lot of hard work, but the many benefits of becoming a franchisee can make it very appealing.

## What type of franchise can you afford?



As a very rough rule of thumb, add up your savings and multiply them by three. So, if you've got £20,000 sitting in the bank, you might be able to finance a franchise with start-up costs of around £60,000. You'll need some security to back you up, such as a property you own.

## Want to know more?

For full details of our franchise business banking support, log on to [business.natwest.com/franchising-expertise](https://business.natwest.com/franchising-expertise) or call our franchise team on **0800 092 9117**, Typetalk **18001 0800 092 9117**.

Telephone lines are open Monday to Friday 9am-5pm (excluding bank holidays). Calls may be recorded.

You can also get more information by calling in at your local branch.

The British Franchise Association is another useful source of information. You can get in touch with them on **01235 820470** or find out more at [thebfa.org](https://thebfa.org)

### Important information

If you call us, we might record the call.

We don't warrant, endorse or recommend any franchise/licence/lessee opportunity. If we agree to lend to help you purchase a franchise/lease, that shouldn't be taken to mean that we approve the opportunity in any way. Similarly, if you are given this document along with any material produced by a franchisor/lessor, that doesn't mean we're approving them. We always recommend getting appropriate independent professional advice when you're looking at any part of franchising/licensing.

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