

# **“Have You Ever Dreamed About Franchising Your Hairdressing/Beauty Salon And Enjoying The Financial Success And Lifestyle That You And Your Family Richly Deserve...But Feel Frustrated Because You’re Starved Of Time And Don’t Know Where To Start?”**

**By James Corne, CEO, Founder The Franchise Institute**

***If that’s you, then read on and we will show you the quickest and easiest way to grow your business for much less than you expect...and sidestep the frustrating and often costly mistakes of Franchising.***

If you know, deep down inside the pit of your stomach, that your business has franchising potential, but you’ve been putting off taking the step because of time, money and staff constraints? You’re not alone! And you owe it to yourself to take 2 minutes out from your busy day to read the following article. Why? Because it could be the most important business decision you make all year.

According to a recent survey there are more than 1000 business format franchise systems operating in Australia, growing at a rate of **12.9% per annum**. The franchising sector turns over **\$128 billion per year** or **14% of Australia’s GDP** - and employs more than 600, 000 Australians. Over 25% of Australian Franchises are expanding internationally!

**So why is franchising so successful in Australia?** Well firstly the evidence shows that franchised businesses are more likely to succeed than non franchised or independently owned businesses. As Michael Gerber author of the best selling book the E myth says “*Over the course of one year, Franchise Businesses have reported a success rate of 95% in contrast to the 50%-plus-percent failure rate of new independently owned businesses.*”

The second reason is that with the introduction of the Franchise Code of Conduct in 1998 the franchising industry has become very transparent and well regulated, resulting in a fairer deal for both franchisors (the owner of the franchised business) and franchisees (the people who buy a franchised unit)

The third reason in my opinion as to why Australia is experiencing somewhat of a franchising boom is because the model creates a win for the business owner (franchisor) and a win for the franchisee: win situation.

It helps the franchisor to “win” because it provides a mechanism to expand their business without the huge capital intensive cost of shop fit outs, employing staff and associated costs . The franchisee wins because they have access to a proven system they can allow them to expand their business more rapidly than they would have been able to if they had opted to do it all themselves. Thus the business can become profitable quickly for far less cost and will be operated generally by dedicated and committed business operators. For the franchisee it provides a sense of certainty and security as they are able to benefit from the franchisors good name and reputation and business know-how

A good case in point is **LUSH HAIR AND BODY** based in Sydney and owned by **Christine Arciuli**. **James Corne from the Franchise Institute** speaks with Christine:

**Question: *Christine* How long have you been in hairdressing?** 24 years ago. I have been working in hairdressing salons since leaving school after completing my school certificate in 1983. I actually started working part time in salons at 13 years old. I have never worked in any other industry other than the hair and beauty industry.

**Question: What made you decide to franchise your salons?** I decided I wanted to structure my company in a way that would give me long term growth and sustainability. In an industry that is labour dependant, I was looking for a business model that would encourage like minded salon professionals to be part of something great and very professional. A franchise structure was where I found the opportunity to see my vision realized

**Question; What has been the most challenging aspect of franchising your business?** Franchising is not for the faint hearted! It has been a lot of hard work and financial investment. The legal documentation and compliance aspect of my restructuring has been the most challenging so far. The franchising laws are strict and continually changing. Investing in a franchise specialist lawyer is a must.

**Question: What has been the most enjoyable aspect of growing your business?** I have truly enjoyed seeing my loyal long time employees taking ownership of their own lush hair& body site! It's fantastic! I guide and mentor them to help ensure they are meeting all their employer obligations. I teach them everything about being a successful salon owner. We are growing something unique to the Australian market and everyday is an exciting day

**Question: What are you most proud of?**

I am most proud of being the first woman to create a hair and beauty salon franchise within Australia from the ground up. I have read many articles from franchisors from marketing and business backgrounds that have created franchises within our industry.

I have been and apprentice, a stylist, beauty therapist, a salon manager, educator and salon owner as well as studying business and marketing. I guess i'm proud that I have now put it all together to move on to a new phase of growth within my industry.

**Question: With the benefit of hindsight what would you do differently next time?**

So far I wouldn't do anything differently. I have learnt so much and am looking to the future with confidence and an open mind.

**Question: What would you say to other hairdressers out there thinking of franchising their business**

I'd say go for it. You must have a strong systems and clear direction if you are thinking of franchising if you don't organizations like The Franchise Institute who we used can help you to develop these simply and cost effectively. You should realize that your franchisees will look to you for continual guidance. I love helping people realize their potential. You must put people first and be completely transparent and ethical.

If you would like a [FREE Special Franchising Report](#) entitled "**The 7 biggest mistakes business owners make when franchising their business and how to avoid them**" (valued at \$97) call Jenny on [1300 855 435](tel:1300855435). Or go to [www.thefranchsieinstitute.com.au](http://www.thefranchsieinstitute.com.au)