

Newsletter

July 2008

Welcome to the winter edition of the Franchise Institute's Newsletter.

From the desk of James Corne, CEO and Founder of the Franchise Institute



Almost weekly I speak with business owners who are genuinely confused by the difference between franchising a business and licensing it. They think (often mistakenly) that franchising is a far more complex and difficult path and that instead licensing gives them all the benefits of franchising without the costs and compliance issues. So to help dispel the myths here is a brief summary of the facts:

Licensing is in fact a broad umbrella term that describes a range of business models where a business owner can leverage their growth. The term licensing may include:

- Distributorships
- Agency Agreements
- Franchising

The major distinction between a franchise and other types of agreements that involve some kind of licensing is the issue of the right to use the trade name and logo; and business systems. But more about that later.

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• While you can call your business system whatever you like – license, franchise, and distributorship the real distinction is NOT in the name but in the agreement itself.
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If a business agreement contains the following 4 criteria then, irrespective of whether you call it a license, an agency agreement or a franchise, the LAW deems it as a franchise and so requires compliance with the Franchising Code of Conduct.

In this edition:

- What's the difference between franchising and licensing?
- Franchises On The Move: Cork N Fork Winery Tours and Femme Totale - Feel Good Franchises for Women
- Brand New 14 Page Report: 7 Costly Mistakes Business Owners Make When Franchising Them and How to Avoid Them
- Wanting to franchise but not quite ready? Then try our NEW Business Accelerator Program and get your business in Tip Top Shape for future growth.
- Earn easy money - \$1000 up for grabs
- NEW revised edition: Franchising Made Easy 2nd Edition. The Secret Franchise Experts Won't Tell You But YOU Need To Know.
- Upcoming Events Seminars

The 4 criteria are broad and concise:

- 1 There is a written, oral or implied agreement,
- 2 There is a payment of a fee, either up front or ongoing, for the provision of goods or services,
- 3 The supply of goods and/or services is under a system or marketing plan,
- 4 The business is substantially associated with a trade mark, advertising or commercial symbol

It is safe to assume that all these models of growth contain an agreement and almost certainly some form of payment. So the real distinction usually lies in the absence or presence of

- 1) a business/marketing systems
- 2) the rights to use a trade name and logo.

So if you want to grow your business using the power of leverage and open in multiple locations the question is why NOT franchise? What's the real motivation for wanting to expand under different names and with non uniformity of the business system? For most the real reason for choosing a license or agency agreement over a franchise agreement are:

- 1) Costs of compliance
- 2) Fear of the regulations

While it's true there are some initial costs associated with preparing the legal documents these are once-off payment, and as the whole idea underlying franchising

Continued on page 2.

From the desk cont.

is to open multiple outlets, the investment is usually recouped from the sale of the first franchise unit. The second barrier is the perceived complexities of complying with the franchising regulations. The truth is that, while comprehensive, the laws are manageable, especially as the agreements are written by a specialised franchise lawyer and not your mate down the road who did law at uni or your brother in law who is generalist lawyer.

The next myth to dispel is that a license agreement is the cheaper option. While its true license agreements do not need to comply with the Franchising Code, as there is no standardized format each agreement has to be drafted from scratch and tailored to suit the specific needs of your business and your agreements. With more cost competitive programs such as the Institute's Franchise For Success Program the difference in cost between preparing the legal documents for licensing and those for franchising could be as little as \$5000.

For more information or to book a complimentary phone consultation please call our offices on 1300 855 435.

FRANCHISES ON THE MOVE:

Congratulations to Judi and Peter Jacques on the launch of Cork ' N Fork Winery Tours in Mount Tambourine in Qld in June 2008.



Cork' N Fork Winery Tours was an idea started out by me as a

'hobby' on weekend. With a little bit of advertising and changing our edge to include FREE pick up and return to the front door our business grew to the point that in the first 12 months I replaced my annual Registered Nurses Wage. Before the first 5 years were complete we also replaced my husband Peter's full time wage and we now employ 2 part time staff and a casual office worker as well. We have survived the rigors of world events that have had major impacts on tourism such as 9/11, the Bali bombings and bird flu Now we have the adverse effects we are all facing increasing fuel prices, interest rates and yet despite all of this our little business is expanding to include all the wine areas of Australia and New Zealand.

Determination, drive and a passion for mainly Boutique Australian wines are the main factors that drive you. Since our launch on 1 June this year we have had a great response and have several serious franchise applicants in the pipeline. We are very excited about our future.

**For more Info: Cork N For Winery Tours
admin@corknfork.com.au Tel 07 5534 6584**

**Femme Totale,
Feel Good
Franchises for
Women**



James Corne, Jenni Dyson and Natalie Gruzlewski

Gold Coasts own Natalie Gruzlewski was host at the Launch of an Innovative New Franchise System, celebrated at the fabulous Mantra on Salt Beach at Kingscliff on Friday night, 18th July.

Guests walked the Red Carpet and posed for the paparazzo, helping them get into the 'Feel Famous' atmosphere created by the Franchise Creator & CEO Jenni Dyson.

"Femme Totale 'feel good franchises for women' were created to give women in the Beauty, Health & Well Being industry, a simple yet proven business system Guaranteed to help them succeed and also to give clients 'What they want, when they want it!'", explains Jenni.

**For more information call Femme Totale
Tel 1300 245 393.**



Thinking of franchising but are not quite ready??

Do you have a business that you've been thinking about franchising but you feel you are not quite ready?

Is expanding your business something you'd like to do but you don't know where to start or your cash flow is a bit tight?

Are you tired of working day in and day out IN your business, working long hours, dealing with staff and sometimes not even drawing a salary?

If you answered "Yes" to any of these questions then its time to break free from this trap and start living your life. Our brand **NEW Business Accelerator Program** is designed to help you do just that by getting your business into tip-top-shape so that when you are ready you can catapult your business growth into quickly and easily!

Our **Business Accelerator Program** will help you to **systemize your whole business** and by doing so will

- 1) Eliminate work related frustrations
- 2) Free up valuable time
- 3) Add value to your business by developing systems and procedures

Its just \$397 - For more information call our offices on 1300 855 435.

\$1000 for every successful introduction!!



If you know a business owner who would like to grow their business simply and cost effectively introduce them to The Franchise Institute and if they become a client of ours we will reward you with a \$1000 referral fee. Earning money has never been so easy.



Brand New 14 Page Report:

7 Costly Mistakes Business Owners Make When Franchising Them and How to Avoid Them.

After months of preparation we are pleased to announce the launch of our New Report, **7 Costly Mistakes Business Owners Make When Franchising A Business ... and How to Avoid Them!**

This **FREE 14 Page Special Franchising Report** will show you the quickest and easiest way to create a turn key business for much less than you expect. You'll also get a sneak peak into a revolutionary franchising system that takes all the guess work out of franchising your business.

To get your very own free copy of the **2008 Free Special Franchising Report (valued at \$97)** complete this form and fax to (02) 9388 4166 or call **Jenny today on 1300 855 435.**

I also want to have a free consultation valued at \$249

Yes please send me a copy of the Free Special Franchising Report

My name _____

My Company _____

Mailing Address _____

State _____

PCode _____

Phone _____

Email _____

UPCOMING EVENTS

James Corne from the Franchise Institute has been asked to present at the following events. Please contact us if you would like to attend any of these events.

August 14

Mal Emery's Platinum Group
"How To Get People To Pay You The Big Bucks For the Privilege of Working In Your Business."
 Mercure Hotel Melbourne

August 21

NSW Department of State and Regional Development
"Unlock The Hidden Potential In Your Business... Is Franchising Right For you"?
 North Parramatta, NSW

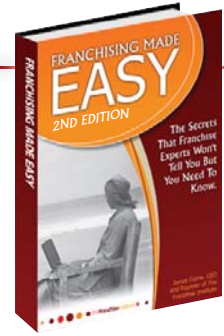
September 3

Sydney Business Advisory Centre
"Licensing vs Franchising: Choosing The Best Way To Grow"
 Bankstown NSW

September 15

NSW Department of State and Regional Development
"Does Your Business Have Franchise Potential...? The Answers May surprise you"
 St George, NSW

FRANCHISING MADE EASY 2nd EDITION BOOK LAUNCH



This book offers a simple set of no B.S. strategies to catapult your business to a new level overcoming the obstacles and beliefs systems of growing your business. Thought provoking, stimulating and easy to read it will change your preconceived ideas about franchising forever."

To order your copy for just \$29.95 + \$5.00 (P&H) complete this form and fax to 02 9388 4166 or call 1300 855 435.

Book Order Form

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Next Edition

That's all for this issue. Your feedback is always welcome as this newsletter is about you!

Remember: if you no longer want to settle for an ordinary business and you're ready to make **your business** into an **extra-ordinary** business right NOW that will

- boosts your cash flow
- allow you to expand cost effectively
- eliminate the hassles of hiring and training staff

Then call The Franchise Institute today and book in for your **Free 20 minute phone consultation** with a franchise specialists and see what could be done for your business.

Until next time, use leverage and enjoy life

James.