

DISADVANTAGES OF FRANCHISING

1 Loss of control

When franchising your business you do not have control of the day to day operation of each franchise outlet.

2 Training and continued support of franchisees

The development and implementation of a good training program which will produce compliant franchisees requires time and resources.

3 Poorly Performing Franchisees

If a franchisee is not performing and is unhappy, this can impact the franchise network.

4 Compliance of costs and risk

You will need to make sure that you comply with all the rules and regulations around franchising including the Competition and Consumer Act (2010) and the Franchising Code of Conduct.

5 Managing growth

You will need to ensure that you have the staff and the systems that can support an expanding franchise network.

