



Business Virtual Learning

Course: Intro to Business

Lesson: Introduction to Franchises

April 30, 2020



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Objective/Learning Target: Students will be able to:

- (1) Understand the concept of franchising**
- (2) Determine advantages and disadvantages to the franchise model.**

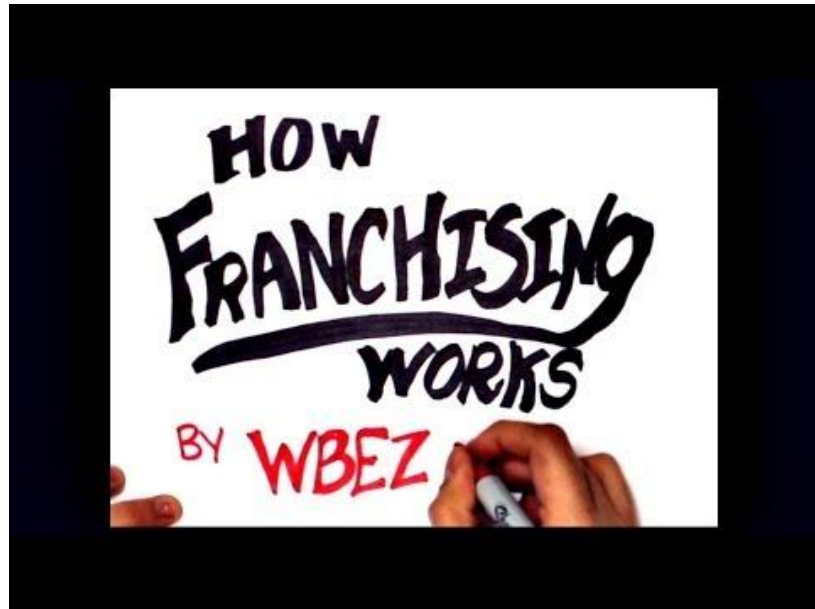


Lesson Starter

Can you name a business that is franchised?

What is a Franchise?

Franchising involves a business owner who licenses trademarks and methods to an independent entrepreneur.





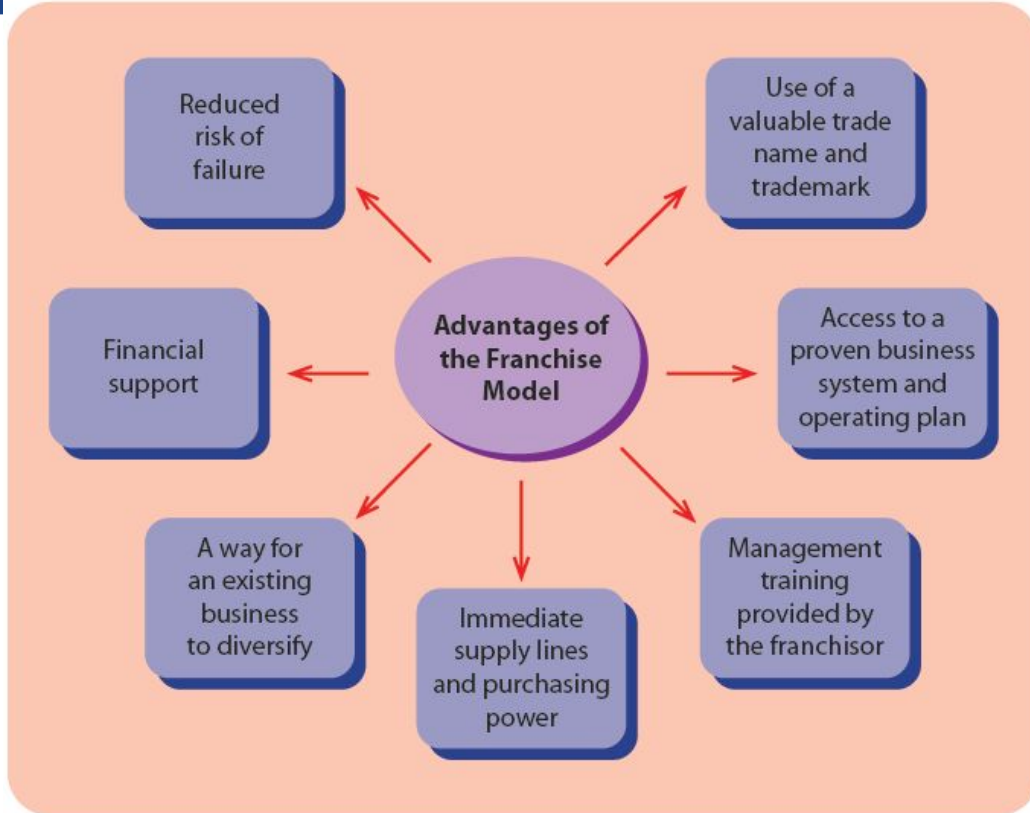
Franchisor vs. Franchisee

Franchisor

- Party in contract that specifies methods to be followed/terms to be met by the other party.

Franchisee

- An entrepreneur whose power is limited by a contractual agreement with a franchising organization.



Pros and Cons of Franchising

Pros: Probability of Success

- Proven line of business
- Pre-qualification of franchisee
- Training Support
 - Franchisor-provided
- Financial assistance
 - Franchisor assistance
- Operating benefits
 - Franchisor-aided

Cons: Franchise Costs

- Initial franchise fee
- Investment costs
- Royalty payments
- Advertising costs
- Restrictions on business operations
- Loss of independence
- Lack of franchisor support



Activity: Grand Opening

For this activity, I want you to decide where you would open a new franchise in the Independence area. Here's a list of things I need to know about your new franchise:

- Company Name
- Location (exact address)
- Surrounding Competitors
- 2 pros to your franchise
- 2 cons to your franchise

You may type these answers in a Google Doc or write them on a piece of paper. You may utilize Google Maps to find the address and surrounding competition. I have also attached a list of companies that franchise below to help you brainstorm ideas of your new business opening.

<https://www.entrepreneur.com/franchise500>