

Franchises

Student's Name

Institutional affiliation

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Franchising is a commercial and legal relationship that exists between the owner of trademark (franchisor) and an individual or organization (franchisee) that wishes to use the identification in a business (Kaushik, 2013). The franchise works to govern the method that is used in conducting business between the two parties. In order to succeed as a business owner, one needs to conduct a lot of research in order to identify the favorable and profitable franchise opportunities.

The first factor to consider is how much one is willing to spend on the initial investment and how much royalty one is willing to pay to the franchiser (Kaushik, 2013). In the case study, Snip N clip (SNC Franchise Corporation) is cheaper in terms of cost and startup cost but the money should come from the individual or organization as they do not offer financing to the franchise. On the other hand, Smoothie King requires high startup cost, which they offer to the franchisee including equipment and inventory.

After cost examination, one has to examine the business to ensure that his or her interest and lifestyle is in line with the requirements of the business. One who wishes to venture in a business should look for business that suits their needs, skills, and capability. As for Snip N clip which offers every type of hair procedures with many branches in the United States and is limited to giving hair services procedure alone, a business owner may feel uncomfortable working on people's hair. In the case of Smoothies King, which sell healthy snacks in Covington Louisiana with many independent franchises opened by 2006, brings a lot of competition in service delivery within Louisiana due to the many branches in the city. Also one needs to consider whether he or she is comfortable selling foods (Kaushik, 2013).

After identification of a few legit franchise opportunity that are affordable one need to visit the franchises and interview in order to know the scoop on earnings, support offered by the franchiser and the costs to be incurred (Singer & Lineham, 2012). Ask the owners all the relevant and important questions such as the frequency of training and marketing services they provide. Such questions help to plan and know who to choose depending on what is on the table and the profit the business venture is likely to generate. The smoothie business has been in existence for a long time and has no franchisee in progress and is in competition with many independent franchises in Louisiana compared to snip N clip business, which has many franchisee in the United States and does not have a lot of competition as there are a few shops in United States.

Before one chooses the franchiser there is the need to consider an established brand and customer base franchise. This is important because an established brand is easy to market and many customers tend to be attracted by the brand name of the business and are loyal to the product being given by the franchiser (Singer & Lineham, 2012). Both Snip N Clip and Smoothie King have been in existence for a long time and their brand name is known to customers. However, the Smoothie King may be known better as it has many branches in the same city compared to Snip N Clip, which has few outlets in United States.

The other key factor to consider is the availability of reliable and effective marketing and reputable supply support given by the franchises. A franchiser that offers marketing support to the franchisee is more logical as the marketing costs are reduced (Singer & Lineham, 2012). Many franchisers often have an established relationship with suppliers. Such relationships make it easy for franchisers since they can access the materials needed by the franchisee because of the

network support. However, franchisee pays advertising fees in order to get the marketing support from the franchisor.

Financial assistance is an important consideration; most reputable franchiser offer loans and other support to franchisee (Singer & Lineham, 2012). In the case study Smoothie King offers financial support, equipment and inventory to franchisee but with a royalty fee paid by the franchisee as long as they are in business hence one does not require a lot of money to start. On the contrary, Snip N Clip does not offer financial support to franchisee.

In conclusion, it requires one to make the right decision before venturing into a business. While the franchise corporation has enabled the development of various businesses, it is necessary to consider the key aspects of individual businesses including marketing and supply, and the availability of financial assistance. In either way, using the franchise model or a brand name both has promises and perils. In the case study, snip N clip and smoothie king both have their pros and cons. However, the best choice for investment would be snip N and clip since it has a better chance of survival in the United States; it has few branches and although the costs are to be covered from ones pocket they are relatively low compared to smoothie king, which requires high startup costs even though they provide startup costs equipment and inventory.

References

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