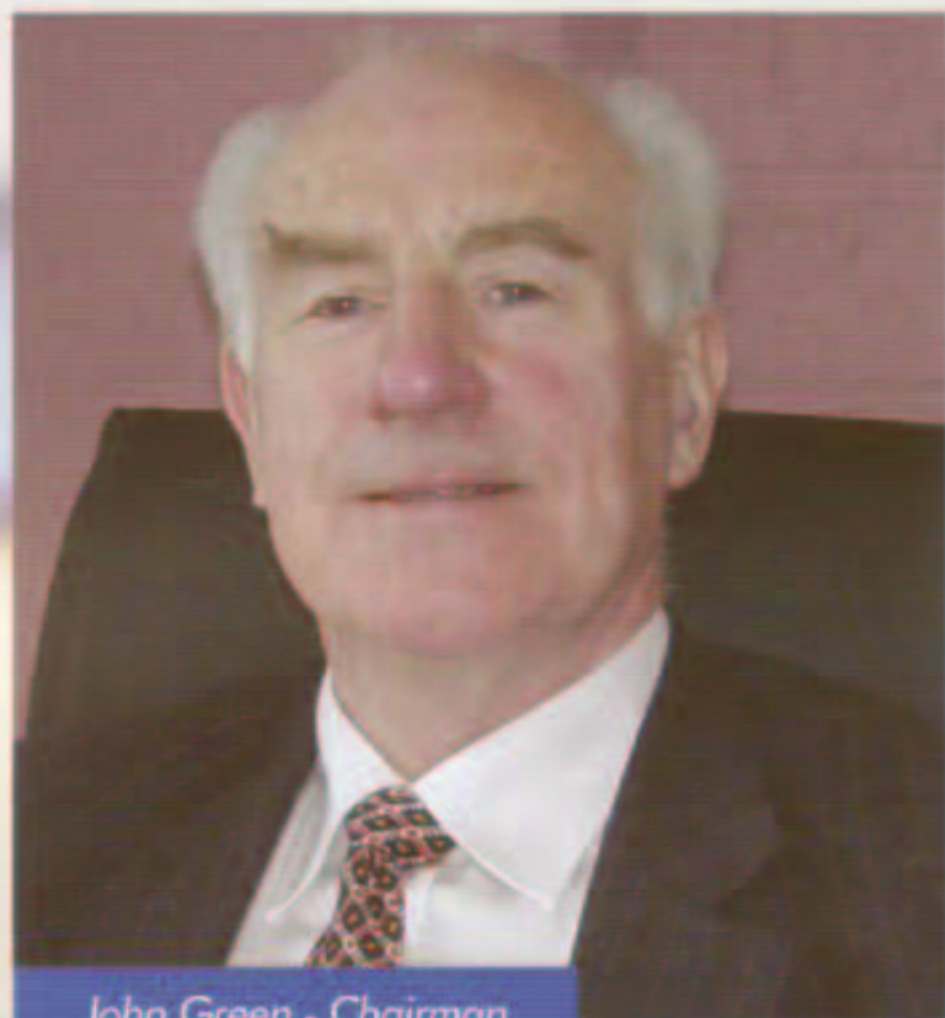




# The Franchising Scene in Ireland

By John Green, Chairman, and Michael Bradley, Director, Irish Franchise Association



John Green - Chairman

Ireland has enjoyed spectacular growth over the past few years, with its GDP reaching 12% in some years, and consequent increase in employment, wealth and disposable income. This has resulted in significant growth in the franchise sector and created a demand for a variety of services which franchisors are keen to meet.

This is reflected in the constant flow of enquiries to the Irish Franchise Association from people seeking assistance either with the identification of a franchise opportunity or because they wish to expand an existing business through franchising.

Additionally, there have been some high-profile redundancies recently resulting in people seeking self-employment including the franchise option and have been swayed towards franchising given its better success rate compared to starting a business from scratch.

The franchise sector in Ireland has now shown continuous uninterrupted growth with almost 200 franchise systems, and 2,000 franchisees, in operation and an estimated combined turnover(excluding food retailing franchises) of €1.2 billion in 2003, and direct employment of almost 20,000. In addition there are thousands of indirect jobs supplying products and services to this sector.

The **IRISH FRANCHISE ASSOCIATION**, which represents Franchisors, is poised to

expand in tandem with the franchise sector and has embarked on a new marketing and membership drive in order to raise the profile of Franchising. Its Chairman is John Green, master franchisor for Chem-Dry in Ireland, and the recently appointed Director is Michael Bradley, former Regional Manager, Enterprise and Small Business for Ulster Bank Group.

The 2004 activities of the Irish Franchise Association include-

- Regional Seminars/Exhibitions
- Survey on Franchising in Ireland 2004
- Franchise Awards

## WHAT IS FRANCHISING?

**Franchising** is a form of marketing and distribution in which the franchisor grants to an individual or company, the franchisee, the right to run a business selling a product or providing a service under the franchisor's business format and identified by the franchisor's trademark or brand. A modern franchise includes a format for the conduct of the business, a management system for operating the business and a shared trade identity.

**This article will provide initial information for potential Franchisees and Franchisors and further professional guidance is recommended.**

## FRANCHISEES

### Is franchising for you?

Although many people explore the franchise option, it is not for everyone. Some find the prospect of signing a contract for ten or fifteen years daunting, while others consider the systems and operating procedures too restrictive for them. Indeed some entrepreneurs prefer to put their own stamp and identity on their businesses. However, every day, there are thousands of people who sign franchise agreements around the world. These people see franchising as providing a tried and tested format and, rather than finding it restrictive, they enjoy the 'half-way house' between working for someone else and operating within the framework of a franchise system.

If you can answer 'Yes' to the following three

statements, the chances are you are more open to franchising than the individual who always wants to do things their own way.

1. I would value the back-up and support provided by franchising.
2. I would like an operating system that I could follow in the running of my business.
3. I would happily trade under a franchise brand.

## Selecting a franchise

Finding a franchise opportunity has never been easier. The myriad of dedicated franchise websites contains hundreds of different franchises. It is estimated that there are in excess of 5,000 different franchises worldwide to choose from. If you are about to embark on this path it is important that you are systematic about your search. Do not rush into the first franchise that comes along. You may be in a hurry to start a business because of redundancy or job insecurity. However, if you do not get the selection right you could lose your savings

