

Franchising (without the overheads!)



You heard it here first! Franchising in Australia is big and it's only going to get bigger. As the thought of moving from an office job to a home office is appealing to more and more people everyday, there are some considerations that any potential franchisee should consider before committing.

Whilst franchising offers many benefits over 'going it alone', it is important to carefully compare the type of franchises that suit you best and look at the cost to operate each. Whilst many franchises display a healthy bottom line, many potential franchisees neglect to consider how the business will operate in lean times and what fixed costs they will need to cover.

Most retail franchises require a retail store and with this comes leases, fit-out and stock as well as utilities like power, security and cleaning. These fixed costs will occur regardless of sales and can be expensive.

"Most franchises require outlays typical to starting a new business, with property leases being one of the highest fixed cost expenses," states Mark Miller, founder and Managing Director of the Home Entertainment Express chain of franchises.

"However, many franchises offer a 'work-from-home' basis that allows franchisees minimal overheads, often meaning less risk and potentially higher net profit returns."

If the high fixed costs aren't your preference, look at those franchises that offer low fixed costs. These types of franchises tend to be more owner/operated types of businesses where the owners income correlates to the amount of effort and time they input rather than a prime retail location.

Whilst it's important to understand your fixed and variable costs, there are hundreds of franchises available within Australia that can satisfy your budget and lifestyle needs.

"Franchising is a worldwide phenomenon with Australia having more franchises per head of population than most developed nations," says Mr Miller.



"Australia has a combination of international companies that have entered our market, along with many home grown success stories now taking on the world."

Franchising is the only way you can be your own boss while having a support network around you that offers you around-the-clock training and solutions to any problems that may arise.

With careful consideration and consultation, most franchises offer options for funding, consulting, and extensive training and workshops so that your decision is fully backed with all the necessary information needed to ensure your franchise will be strong enough to support your future comfortably.

Check if the franchise you are interested in is registered with the Franchise Council of Australia, and then you can rest assured that there are guidelines established that will protect your venture as a franchisee.

"The continued strong growth of franchising in Australia is due in no small part to stringent legal guidelines through the 'Franchising Code of Conduct' which are in place to ensure the protection of franchisees," says Miller

"I believe that the general perception of franchising has been strengthened since I franchised in 1997 as a direct result of the guidelines imposed by the Code. These guidelines effectively removed many unscrupulous operators from the industry whose actions have harmed the public perception of franchising in general."

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Mark Miller founded Home Entertainment Express in 1997, and it itself can be demonstrated as a true franchise success story.

Originally a "mobile video library", Home Entertainment Express has evolved over the past 15 years to incorporate rental and retail items including DVD's, whitegoods, home theatre, and digital cameras. Its success lies with their personalised door-to-door service ensuring their franchisees a constant cash flow with a high net return.

It is favourably listed as one of six of the best franchises to buy in Australia under \$50,000 and rapidly becoming one of the fastest growing franchises in Australia with 52 franchises developed since 1997. An indication of Home Entertainment Express' growth is the comparison with Red Rooster, also considered a fast-growing franchise which has a total of 60 franchises opened in the past 27 years.

Mark Miller believes that the success of his franchise lies in their unique door-to-door service combined with a support network, professional training and the high net returns for franchisees.

Other advantages of becoming a franchisee include the fact that it is less risky than going out on your own as well as having marketing expertise offered on tap, there are bulk purchase savings, bank financing is often more readily available and there is the security of the strict legal protection through the franchising code.

"This, combined with people's desire to have control over their future by running their own business while having the comfort of using a proven system and all the advantages that come with it, including brand awareness, group buying power, marketing expertise, comprehensive training and the ongoing support of the franchisor, will see good strong franchises become an increasingly popular part of the business landscape in Australia", says Mr Miller.

Keep an eye out for an opportunity for franchises like Home Entertainment Express to arise, and before you know it, you could be fast-forwarding your future!

For further information phone Mark Miller owner/managing director of Home Entertainment Express on (02) 4389 3285, fax (02) 4389 4283 or email info@homeentertainmentexpress.com.au