

“To start up or franchise?”

If you are looking to start a business, you may have a difficult time deciding between starting your own business from scratch and buying a franchise. How do you know which would be best for you? The answer depends on what you are looking for and your personality.

To begin with, if freedom and independence are important to you, then you probably need to be a solo entrepreneur. But if predictability and security are more important, then being a franchisee likely makes more sense.

Here is why: An entrepreneur who starts a business from nothing runs the show. It is the entrepreneur's strategies and plans that count and the entrepreneur's ideas that will be implemented. That is precisely what some people want and why they start a business. On the other hand, a franchisee has far less autonomy in the day-to-day operations of the business. Franchisees must follow the system created by the franchisor; in fact, doing so is part of the franchise agreement.



Another important factor to consider is your potential for success. The great thing about a franchise is that franchisors have made mistakes along the way, mistakes you will not have to repeat. They know what works and what doesn't. When you are the sole entrepreneur on the other hand, there is no one ahead of you who has already blazed the trail. As such, franchising is usually a safer, more tried-and-true route to entrepreneurial success.

You should also consider:

1. Your comfort level with the unknown: When you buy a franchise, you know what to expect. The franchisor will have a plan and system in place for you. Procedures are already ready. The game plan is prepared. Accordingly, there will be less guesswork with a franchise. But when you start a business on your own, everything is new.
2. How you feel about bosses: One of the best parts of being a solo entrepreneur is that you are the boss. You make the decisions, and the buck stops with you. It is usually both exciting and scary for the new entrepreneur. With a franchise however, you will not be completely alone. You will need to answer to the franchisor. The franchisor has a brand and trademarks it wants to protect. You therefore have to do things their way. While you won't have a "boss" per se, you won't be completely on your own either. The regional manager for the franchisor will surely be looking over your shoulder. This is true even if you may not want their help sometimes, or you think your ideas are superior.
3. How much help you will want: Franchisors typically have plenty of marketing and advertising experience, and therefore, ideas. They know what works, and as such, having franchise help with your advertising campaign can really be useful. They also offer a lot of training and other support, all designed to help you succeed. If you are fairly new to business, this sort of assistance can be really valuable.
4. Consider the brand: Franchises usually have spent a considerable amount of time and money branding their business. When you buy into a franchise, you also buy this brand. Having that name behind you usually makes business easier. Vendors and customers may respect you more, and you need not spend effort or money on creating your own brand.

5. Consider the costs: Buying a franchise is usually not inexpensive. Significant fees can be common for some big-name franchise systems. Can you afford that? Can you obtain financing?

So as you can see, whether you should buy a franchise or start a business on your own depends upon your personality, business skills and resources. Yes, the chances for success are probably higher with a franchise, but getting rid of a boss may be why you want to start a business in the first place, so think hard about this decision.

Cheers

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