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# Get a nose for the best deal



**I**n your search for the right franchise there are many factors to take into account. You need to assess your own skills and then identify the area of business that they would be best suited to. You also need to calculate how much money you can afford to invest in a franchise.

There are some aspects of starting a franchise that offer a considerable financial advantage over starting up an

**A SPOT OF ADVICE:** Lee Southern, founder of Barking Mad

## By Alison Coleman

independent business. For example, as a franchisee, not only are you working to a tried and trusted business model, you also have the opportunity to access key elements of the franchisor's supply chain.

Dan Archer, of the British Franchise Association (bfa), said: "One of the big advantages of the franchise relationship, from the franchisee's point of view, is the leverage that a franchisor has in negotiating and arranging key supplier relationships.

"Whether the franchisor is directly involved in the supply of goods and services or not, the sheer size of the group can bring benefits through bulk buying."

One very important financial

consideration for franchisees is that of insurance for their business. Again, a franchisor can be of assistance, as they will be aware of the type of insurance required by franchisees in their network, and in many cases will be able to negotiate a reduced insurance rate, passing on the benefits to their franchisees.

Mr Archer said: "Through the piloting and development of their operational business, franchisors will have established a model that provides guidance to their franchisees, and the advantage of the franchisors' knowledge should not be underestimated."

It is well worth exploring the types of insurance that may be required for your business, which could include public liability insurance, employer's liability insurance and property insurance. However, it is also in the

interests of the franchisor to ensure that their franchisees have the correct cover in place before their franchise opens for business.

Lee Southern is the founder of bfa full member Barking Mad, which provides home-based holiday care for pets whose owners don't want to use kennels. She agrees that prospective franchisees should carry out proper research into insuring their franchise.

She said: "As a first step it can be helpful to find an insurer who understands your business.

"However, although franchisees can take out insurance with a provider of their choice, the shrewd franchisee will capitalise upon the best policy price already established by their franchisor."

For more information and for general queries regarding franchising log on to [www.thebfa.org](http://www.thebfa.org)