



## Article Side

What is a Franchise? by [Mark Green](#)

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Starting up your own business is a great step for many people to take and an increasing number of those doing it are beginning to find real success with a franchise. If you have been convinced that this could well be the right choice to make for you and your family, whether by friends, fellow workers or something in the press, it is important to really understand what a franchise is.

### What is a franchise – the basics

A franchise is one of the most popular forms for people interested in self employment, as it provides them with the tools to run a new company but at a far lower personal risk. The reason is simple; by using an established and proven business model, with a recognized brand, the chance of success is significantly enhanced.

Most often, business to business franchises prove to be most successful, with design and print shops proving a strong market to be in as the US strengthens its recovery.

### What is a franchise – the finances

When starting a franchise, as with starting any other business, there is an initial investment needed. Alongside the right to use the business model, this covers the right to use the organization's name, brands, logos and all associated marketing information be it intellectual or material. Moreover, it also provides the training, support and with the best franchises, help in finding and securing premises.

The initial cost of a franchise is higher than with a regular start up but, all additional fees are already taken care of, whilst an existing client base and reputation have largely been established.

### What is a franchise – the franchisees position

The most successful franchise companies understand that to effectively gain market share, they need to target geographical areas sensibly. Therefore, the franchisee will get all the support needed to give the operation every chance of success. This will include advice and planning where to set up.

Despite central support, the franchisee maintains autonomy over key factors, allowing local response to business demands to be made.

### What is a franchise - the lender's position

Another aspect which makes franchises so attractive to entrepreneurs is that they are far more likely to secure financing. Working to a proven business model, creates an environment much less likely to fail. Accordingly, banks and other lenders see business loans made to a franchise investor as a far preferable place to direct their funding, particularly in the present climate.

There is also a greater pool of lenders to choose from, with many other less traditional financial institutions willing to lend to franchisees investing in strongly positioned companies.

For a great many Americans, a franchise has allowed them to take control of their lives and build their family fortune no-end. It is important though, to know what is what. Is a franchise going to give you the life you have always dreamed of? Probably yes, but only if you put your investment in the right place, work hard and stay determined.

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Mark writes and works for Minuteman Press, the world leader in print franchises and design franchises where you can find out a [what is a franchise](#), and discover franchise stores in the USA, Canada, Australia, the UK and South Africa.

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