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Franchisor and Franchisee Relationship: A Breakdown

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In this article, we will delve into what makes a franchisor and franchisee relationship successful. We will do this by looking at the difference between a franchisor and a franchisee, as well as what the role of each is within a relationship.

Are a Franchisor and Franchisee the Same?

No, a franchisor and a franchisee are not the same. A franchisor refers to the "seller" of a franchise. Thus, it is an individual or a company that grants a buyer (the franchisee) rights to make use of their business plan, brand, and other identifiers of a business. In some cases, the franchisor might even offer a certain amount of resources to start a business or branch of that business. A franchisor will also typically maintain power over the direction and future of the business.

What is the Role of a Franchisor and Franchisee?

The franchisor and franchisee each have different roles that they fulfil in order to create and maintain a symbiotic relationship that is key to a successful franchise. These roles and responsibilities typically consist of:

The Franchisor

- Before one can move on from being a business owner to being a franchisor one must have a business model that has been proven to be a success and that has built a brand that is recognisable to its target market.
- It is a requirement that a franchisor has acquired a registered trademark for their business as this allows for the franchisor to sell the rights to the franchisee.
- The franchisor must have a business system that produces consistent and successful results that can be duplicated and followed by a franchisee.
- The franchisor must be able to provide training and support to the franchisee on a continual basis.

The Franchisee

- A franchisee must pay a fee in order to obtain the necessary rights from the franchisor and open a franchise.
- It is the responsibility of the franchisee to ensure that they follow the business systems provided by the franchisor and make use of the training provided in order to manage their franchise effectively.

A franchise can be a fantastic investment if the right franchise is chosen. Business for Sale has a wide variety of franchises for sale to ensure you find the perfect franchise for you. Contact Business for Sale to find out more about how you can acquire a franchise and achieve success.