

# MENU

## FOR SUCCESS WITH A FOOD FRANCHISE



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**THE FOOD SECTOR MAKES UP ABOUT A THIRD OF ALL FRANCHISES - A HUGE** percentage for a single sector! So it's no wonder that when many people think of franchising, they think of food. In fact, my own introduction to the franchise world came about as I was looking at pizza franchises.

Like most people, I had no idea that franchises were available in so many other business sectors. The idea of owning a restaurant sounds glamorous, maybe because of the TV image of the restaurant owner greeting dignitaries as they enter the establishment and then sharing an after-dinner drink with them while receiving lavish praise. That sounds great but is pretty far from reality. The food industry has lower margins than most industries, depends on tight management of food spoilage and inventory loss, relies heavily on minimum-wage employees, requires more in terms of capital investment, and is just plain hard work.

So why would anyone want to enter this business? Simple: Every person on the planet needs to eat multiple times a day. That is one seriously large potential customer base.

If you've considered the downsides and still want to own a restaurant, here are some things to look for when evaluating franchises.

### THE FOOD

Do you like the food? Would you be excited about serving it?

### THE BRAND

Is the branding professional? Are there multiple marketing and advertising strategies in place?

### THE SOURCE

Where are the food products sourced? Is there a commissary model where you buy from the franchisor? Do they use one of the large distribution companies? Can you source any products locally?

### PROCESSES

Does the franchisor have well-developed processes? The operations manual should cover everything you need to know from the time you unlock the door in the morning until you turn off the lights at night. There should be a detailed food preparation manual and also a food handling/safety manual.

### SITE LOCATION

How are potential sites identified? Has the franchisor developed demographic models to understand where their customers are? Do they assist you with finding and evaluating potential sites? Do they help with lease negotiation?

### CONSTRUCTION

What about construction? There should be a detailed construction manual and maybe even contractors in place that have previously done store build-outs for other franchisees. You can waste a lot of time and money if you're left on your own to secure a site and get the store built.

### TRAINING

What training and ongoing support are available? The food sector typically requires longer training and more support than other franchise sectors. Will you receive on-site training and support? Will you get assistance in hiring your staff? What are the plans to deal with changing trends and customer tastes? This is a sector that will also see more changes in terms of what customers want.



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