



IFA's 46th Annual International Franchise Convention

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Palm Springs, CA



Converting Quality Prospects into Franchisees Through Technical & Financial Assistance

AGENDA

- Corporate Self Examination
- How to Find Qualified Minority Prospects
- Your Concept Versus Your Process
- What Does Technical Assistance Really Mean?
- What Does Financial Assistance Really Mean?

Corporate Self Examination

- As a corporation, what are your fears, strengths, weakness in understanding and approaching minorities.
- Fears may include:
 - Having your concept rejected by a minority community.
 - Branding your concept in certain regions, states, counties and cities.
 - Thought of experiencing a lower profit margin.
- Strengths may include:
 - Overall acceptable franchise product or service such as food, hotels, cleaning services.
 - How long the franchise has been in business.
 - Strong advertising campaigns.
 - Etc.

Corporate Self Examination

- Weakness may include:
 - Lack of understanding & familiarity with various minority communities.
 - Lack of minority employees that are visible to the customer.
 - Lack of minority employees that are visible to the prospect (i.e.. Franchise Sales Dept, training dept.)
 - Lack of visible goodwill in minority communities.
 - Brand reputation in minority communities.
- * YOU MUST KNOW YOUR CUSTOMER FIRST!**

How To Find Quality Prospects

- Franchise Brokers
 - They perform the “weeding out” for you.
 - Good brokers examine the prospect’s professional & financial qualifications.
 - They are usually very comfortable speaking with all communities.
- Chambers of Commerce networking events.
 - Black Chamber
 - Asian-Indian Chamber
- Expos, seminars and trade show that advertise & market to minorities.

How To Find Quality Prospects

- Attend a minority cultural event.
- Attend a minority business event or networking club.
- Minority professional or trade associations (National MBA Association, National Association of Black Women Entrepreneurs).

Your Concept Versus Your Process

- ***If Concept Makes Money, Minorities Will Invest.***
- Provide guidance & advice in understanding the Franchise Offering Circular
- The Two most important parts of your process that should not be overlooked:
 - Do you have regional support with whom a minority prospect can meet with personally? (an employee, area developer, master franchisee)
 - AT least two excellent validators, preferably minorities.
 - They should be willing to be transparent about their experience as a minority in your franchise system (they will find out, one way or another). Willing to discuss all financial controls (cost, fixed & variable, revenue potential, provide spreadsheet if possible).
 - Expert in advertising & marketing techniques.
 - Successfully validate or the prospect will eliminate themselves and you may **never** know why.

What Does Technical Assistance Really Mean

- Prospect wants the SECURITY of knowing you will help them with marketing, management, advertising, training, and finding real estate.
- Advertising – is it national, regional, local; cost involved?
- Marketing – Community based, local, national?
- Finding Real Estate – Where is the support and can someone hold their hands?; they usually know nothing about commercial real estate.
- Technical assistance means – **Where Is My Local Support?** (underlying issue is to minimize my fear and secure my investment)

What Does Financial Assistance Really Mean?

- Does the franchise allow in house financing?
- Can someone explain the loan approval process from a bank or other lending institution?
- Who will help me with my business plan?
- What are the types of loans and which one is best for my business acquisition?
- What if I have had credit problems in the past.
- What if my loan application is rejected?
- Separate your franchise company from all others by establishing LOCAL Bank relationships.

What Does Financial Assistance Really Mean?

- Why?
 - It is another form of support for the fearful franchisee.
 - Allows you to appear to be a “community involved & supported franchise”.
 - Gives the franchisee easier access to the bank and/or loan officer.
 - Establishes & enhances franchiser relationship with local lenders.
- TIP: It never hurts to have a creative broker on your team!