Franchising in China

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T.G.I. Friday’s ® in China

• JV in Beijing/Tianjin since 1994
• Franchise Restaurants in Hong Kong, Shanghai since 1998
• Area Development Agreement in Jiangsu and Zhejian Provinces with first Franchise opening in WuXi in May
Finding a Qualified Franchisee

- Financial Qualification generally not an issue
- Top contacts will speak English
- Candidates will generally understand the concept of franchising, though model their understanding on current state of franchising in China
Real Issues

• Understanding the Dynamics
  – Language and cultural differences within China
  – Local interpretation of laws and regulations
  – Market dynamics (real estate, trade dress…)

• Assessing the market
  – Assessing the competition both local and international
  – Consumer perception of your brand/product “Western Food”
Real Issues

• Servicing a franchise
  – Materials
  – Training franchise employees (travel, language, cultural issues)
  – Developing a service culture
  – Finding and retaining employees
Recommendations

- Take a long term view
- Enter market with local partner “Guanxi”
- Test and adapt to market
- Develop dedicated team