

RETAIL AND WHOLESALE

THE POWER OF FRANCHISING:

Release working capital to drive growth and improve financial efficiency



The best brands know how to use the power of the franchise model to drive sales volume with minimum investment. Whether opening up new markets or energising existing ones, franchising can be deployed tactically to address immediate issues or as a core strategy for the business. BDO has franchise experts who can help businesses ascertain where and how franchising could assist with addressing current business challenges.

CLIENT BENEFITS

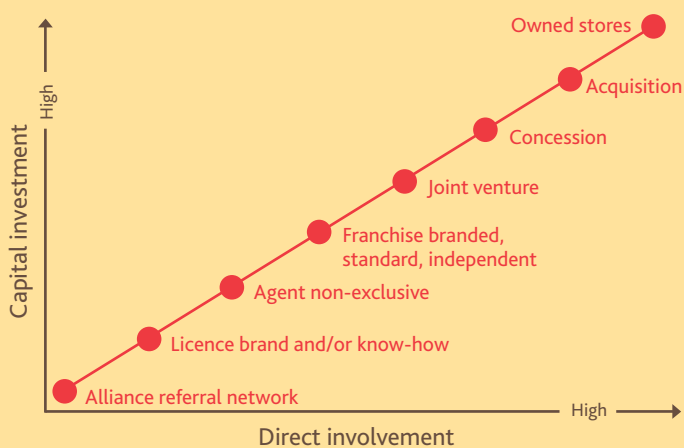
- Free up cash within the business.
- Reduce the cost of expansion.
- Boost store performance.
- Improve customer service.
- Drive revenue.

FINDING AND DELIVERING THE RIGHT STRUCTURE

Our specialist Franchise team can help you take a fresh look at how companies today are using the franchise model as a tool to accelerate business objectives in the most cost effective way. You will have access to our direct experience of what makes a good commercial partnership structure. We will work with you to find out if there's scope for your business to develop an original, workable franchise model – and the rewards it could deliver both in the short and longer term.

Where it makes sense, we can then go on to deliver an appropriate business partnership model and operating interface – one that is manageable, effective and tailored to your business.

TYPES OF COMMERCIAL PARTNERSHIPS



COMPARISON OF SOURCES OF INCOME

If wholly owned	If franchised
Margin on retail sales	Margin on sales to franchise operations
	Management services fee for central support services
	IT charge for software/hardware supply and licences
	Marketing levy for central programmes

RESPONSIBILITY FOR ONGOING COSTS IN A FRANCHISE OPERATION

Principal	Franchise Partner
Brand development and marketing campaigns	Retail premises costs: rent/rates; fit-out, maintenance and overheads
Product development and supply	Stock purchase and local management
Retail store operations development: IT, stock and merchandising solutions	Retail store staff costs
Central support and operations	Approved local marketing and promotional activities
	Franchise fees: including IT supply and support

PROVEN EXPERIENCE

BDO have some of the UK's most respected franchise specialists. We have built our reputation through direct management of successful franchise businesses and from many years of helping others find their own business success.

We continue to create original franchise solutions for clients across a wide range of business sectors, adding value by offering a single source for expert knowledge, operational experience, creative thinking and the resource to turn ideas and aspirations into measurable reality.

The Franchise team has provided specialist advice to a number of well known retail businesses including: Costa Coffee, Checkpoint Systems, Halifax Estate Agents, Hamptons International, John Lewis Partnership, KA International, Laura Ashley, Motorola, Post Office Counters, Protrade, Somerfield, Gold Group, Thomas Cook Group, Thresher, United Carpets, Morelli's Gelato, PremAir, Ribeye, Exel Logistics.

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'Tax Team of the Year' 2009 and 2008
'Audit Team of the Year' 2008
'Corporate Finance Deal of the Year' 2008

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