

Franchise term paper: ben and florentine

[Business](#), [Marketing](#)



Nowadays, in our modern world, everything is constantly changing and evolving. It is extremely important in the workplace, especially, to keep up with new technologies and with new consumer needs because of that. Finding the right service at the right time can be a little tricky sometimes. Ben & Florentine is a franchise available in Canada who has great potential in the business world. The following lines will explore every aspect (such as a description of the franchisor, the competitive and the external environment, the benefits offered by the franchisor, the requirements and a SWOT analysis) that an entrepreneur needs to consider before answering the questions: Should I purchase one? Would it be a good deal?

The evaluation process

First of all, when it comes to the point where you seriously think about buying a franchise, there is crucial steps to follow in order to get all the information you can and to be totally conscious of what kind of business you are facing, interested in. The evaluation process is an essential part of the process, it gathers meaningful information related to the company. For Ben & Florentine restaurant, I collected all the data I could in order to establish a representative portrait of the franchise. Since the first restaurant Ben & Florentine opened his doors in 2009 and they have more than 50 franchises by now, people are truly experienced in the breakfast and lunch industry and they know what they are dealing with. They have the knowledge and the expertise needed to help their new franchises by themselves (franchisor management). The Ben & Florentine's territory is not international and giant, but it is big enough. It covers restaurants in the provinces of Quebec, Ontario and Manitoba. It appears to me as an open territory because they have no

control over new competitors and they do not have a fixed geographic area to work in (franchise territory). Moreover, the initial franchise fee is 35 000\$, the royalty fee is 5% of gross sales paid weekly and the advertising fee is 3% of gross sales paid weekly (franchise fees). Statistically talking, during Q2 (QUARTER 2) 2017, four new Ben & Florentine franchises were opened and during Q3 (QUARTER 3) 2017, system sales increased of 10, 6 % principally because of the newest (back then) acquirement of Ben & Florentine brand. These statistics show us that Ben & Florentine is a prosper brand who is making interesting amount of profits and who is constantly growing and expanding (ten years of existence and more than fifty locations) (item 20). Imvescor Restaurant Group Inc. is owning and operating the Ben & Florentine's website. Trademarks, logos and domain name's presentation who appear on the website is protected by the laws in force on intellectual property, and licensed or owned by Imvescor Restaurant Group Inc. and its franchises (intellectual property). There are also great franchisor training programs: The operator follows six weeks of practical and theoretical training and there is a Grand opening training and assistance for two weeks.

Description of the franchisor

First thing first, the service/product offered by Ben & Florentine is breakfasts and lunches, in other words, it products food and serve clients in the Ben & Florentine's restaurants. The general business area in which it operate is, obviously, the food industry, or more precisely the breakfast and lunch industry. Franchise's target market isn't specific, or special, everyone is part of it; family gatherings, friend meetings, couple dates. It's kid friendly

environment too. Currently, fifty-six franchises operate in different provinces of the Canada under Ben & Florentine's banner.

Competitive environment of the franchisor

The franchise appears, in my view of things, as an open competition because there is PLENTY of breakfast and lunch companies and they are free to all compete one against each other. Ben & Florentine has many direct competitors such as Cora, Allo mon côcô and L'oeufrier because they all offer the same service in similar locations. Whether you go eat a breakfast at Cora or at Ben & Florentine, your need will be fulfilled the same way in one or another. There are also the indirect competitors, Mc Donald's and Tim Hortons are good examples of it because even if they do not offer the same service, they can satisfy the same consumer need and they are everywhere (higher accessibility). Ben & Florentine's brand distinguish itself by its largely diversified and refined menu, but it is similar in the way that it is like every other breakfasts and lunch company, it offers the same services and price ranges are practically the same in every competitor restaurant.

External environment

Personally, I truly think that the current lack of workers in Quebec from which many businesses suffer could be a tormenting issue related to the socio-cultural environment because Ben& Florentine has a lot of franchises so the possibility of not having enough employees could make people worry because it could make entrepreneurs suffer from significant losses. It can affect the franchisor and his franchises in many ways: Opening hours could

be minimized, profits too. Some franchises could come to the point where they have to close their doors.

Benefits offered by the franchisor to the franchise

Additionally, the franchisor offer pre-opening support (market studies, site selection, lease negotiation, business plan preparation, etc...), purchasing help (collective buying power, centralized suppliers and distribution, continuous research and development) and accounting and finance support (detailed reporting to manage performance and comprehensive training on accounting procedures). Moreover, I think the role of the franchisor is to assist his new business colleagues in every part of the opening procedure and make sure everything is done in the same pattern as other Ben & Florentine's restaurants. They have great interactions because they are all working for the same brand, the helpers and the ones who are helped. Also collective buying power is a great way to increase this feeling of interaction too. They are helping each other together because they have the expertise to do so and they don't need anybody else.

Requirements for the franchise

Furthermore, purchasing a franchise is not free, for example, a turnkey Ben & Florentine franchise can cost something from 500 000\$ to 600 000\$ depending on some factors. 175 000\$ to 275 000\$ of unencumbered cash is needed by the purchaser too and the initial franchise fee is 35 000\$. Seems like the entrepreneur will not be out of the woods for a while...In addition, there is ongoing fees to pay such as the royalty fee (5% of gross sales paid weekly) and the advertising fee (3% of gross sales paid weekly). This is a lot

of money. The entrepreneur needs strong knowledge of how the food industry and the market work, who his competitors are, the economic environment and many more things...He'll need a great sense of leadership and the ability to find the necessary resources such as good employees and food distributors.

SWOT analysis of the franchise

Internal

Strengths: Expertise from ten years of experience, accessibility to many resources and a refined menu who make them unique.

Weaknesses: Plenty of competitors around and a need of resources (\$\$\$\$\$)

External

Opportunities: Increase of technologies helping the business, the change in lifestyles, rising consumption, etc.

Threats: Increase of supply cost, diminution of competitors cost, demographic changes, etc.

To conclude, all this information and the analysis about Ben & Florentine's brand give us enough knowledge to answer the two crucial questions: Should you purchase one franchise? Would it be a good deal? The answer is yes, you should purchase one because it an opportunity as an entrepreneur to have the independence of a small business ownership, but at the same time profiting and being supported by the benefits of a big business network. It would be a good deal because, according to the business world, it is an

affordable investment, the marketing is presented as exceptional and there is the possibility of a collective buying power.