

The answer



Franchising Institute Franchising If you were interested in a franchising opportunity (probably from an incorporated franchiser) would you necessarily need to be structured as a corporation yourself? Franchising is the act of earning revenue and profit by using somebody else's name and products. This act involves the purchase of the right to use any particular business brand in return for some compensation, usually monetary compensation or sharing in the revenue or the profit being made by the company using the name. The usual course of franchising is that the franchisee pays the franchiser an upfront sum and there after a sharing of profit between the franchiser and the franchisee is agreed upon. Franchising is basically an act adopted by organization to help in the growth of a company. Franchising is basically considered an alternative business strategy to raise extra capital for growth. To avail a franchising opportunity, it is not a requirement to incorporate, any particular individual either incorporated or not, can avail the franchising opportunity. The franchiser is basically very much willing to give out its franchise to anyone who meets the franchiser's requirement. Once the requirement are complete, the franchisee can avail the franchising opportunity. the usual requirements are the payment of the initial capital sum, the sharing of profit clause, the system and business method as imposed by the franchiser, etc. Franchising can be seen as a prospective venture for both the franchiser and the franchisee with no capital investment for the franchisee and increased profits for the franchiser by only forwarding the brand name. The only issue with franchising is that large multinational organizations offering such franchising offers are really strict when they are choosing any particular franchisee. The other issue arise for the franchiser when and particular franchisee refuses to

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follow the instructions of the franchiser once the franchise has been created
(Barkoff et al, 2008) References Top of Form Barkoff, R. M., Selden, A. C., &
American Bar Association. (2008). Fundamentals of franchising. Chicago:
American Bar Association, Forum on Franchising. Bottom of Form