

WHY BE A PILOT FRANCHISEE?

One of the main benefits of buying a franchise is that you get a tried, tested and proven business model that you know will work if you follow the franchisor's methods.

That means the franchisor has to somehow be able to demonstrate that this really is the case. The normal way to do that is for the franchisor to run a small number of pilots first.

So, franchisors recruit a small number of "pilot franchisees" to try out the franchise package to prove that it works. In reality, the pilot franchisees inevitably uncover a few imperfections with the franchise, which can then be sorted out during the pilot period.

Typically, the pilot lasts for at least 12 months because most businesses have some degree of seasonality to them and it's important to show what a whole year's worth of business looks like.

As a pilot franchisee you are taking a greater risk than a franchisee for a more established franchise and your are likely to have a less smooth ride BUT in most other respects there are big advantages to being a pilot franchisee. These include:

- The price of a pilot franchise is typically up to 50% off the post-pilot price.
- That also means that if a pilot franchisee subsequently decides to sell on the franchise they may make a nice profit on the sale (this assumes that the franchise agreement allows for such a sale so do check the agreement beforehand).
- A pilot franchisee has more influence over the shape of the franchise.
- Ongoing fees charged to pilot franchisees are often more favourable than the fees charged when the franchise is established – and sometimes continue beyond the pilot stage.
- A successful pilot franchisee is in a better position to take on more territories of their choice – later on the choice becomes more restricted.
- A pilot franchisee tends to get a higher level of individual support and normally builds a strong relationship with the franchisor which helps later on
- A pilot franchisee gets to enjoy all the fun and dynamism of being part of a young enterprise.
- Sometimes a pilot franchisee gets the opportunity to take a stake in the franchisor business.
- The experience of running not just a franchise but a pilot is invaluable - especially if a pilot franchisee moves on to other things later.

These are just some of the benefits of buying a pilot franchise.

To discuss what pilot franchises are available please ask.

Numbers are normally limited so it pays to be able to make a decision quickly if you find one you like.