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Franchise News

How to Plan for Franchise Growth

Thinking about growing a franchise in the new year? Here are some practical tips.



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Once they have their first franchise up and running, new franchisees may soon start to think about expanding their territories or opening new units.

But initial success does not guarantee future growth. Expansion takes careful planning.

That's especially true now. While the first glimmers of hope for the end of the pandemic from the vaccine rollout have presented a light at the end of the tunnel, COVID-19's effects on franchise expansion may linger.

"This is a unique time in history," said [Adam J. Siegelheim](#), a shareholder at [Stark & Stark law firm](#) in New Jersey, who represents and counsels franchisees, including on matters related to growth. "COVID-19 considerations are going to remain a driving force in determining business expansion."

That means that for businesses that have held off expanding, or for businesses that are considering franchising their brand, the timing may work out perfectly.

For brick-and-mortar businesses, it can take about a year to secure a location and get the space up-and-running. So by starting now, by the time new locations are ready to open, the pandemic may well be in the rearview mirror.

How To Expand Within A Franchise

Expansion begins with a conversation with the corporate office.

"The first step would be to reach out to your franchisor to determine what other territory is available and to begin discussing the potential signing of additional franchise agreements for such other locations," said Siegelheim.

How To Expand by Becoming A Franchisor

And independent business owners who think their brand would make a good franchise should also start getting their ducks in a row. For one, they need to fully document business operations in a single manual. That way their franchisees will have a clear formula to follow — and a clear path for success.

"In franchising, you are licensing your intellectual property and your systems. You need to ensure that your trademarks and other intellectual property are properly registered and protected," said Siegelheim.

Those businesses thinking about expanding by becoming a franchisor need legal support to get all documents in compliance and may follow any state regulations, said Siegelheim. He also advises franchisees to get ongoing marketing support to help ensure that they deploy their marketing dollars effectively in their new territories.

Ultimately, growing a franchise starts with a plan. And there's no time like the present to start planning.

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