

# BOFE unlocks three Ps of business ownership

The Business Opportunities & Franchise Expo (BOFE), presented in partnership with Eskom, takes place from 11-14 September 2014 at the Coca-Cola Dome.

It will uncover the three key Ps of business ownership - preparedness, perseverance and passion - among the most important attributes of a successful small business owner, according to top South African franchisors.



Exhibitors include SA Franchise Warehouse, Bizfarm, Taste Holdings, DIY Depot, Pressed in time and Zhauns business opportunities, which will provide views on successful business ownership.

With franchising rapidly growing as an optimal way for entrepreneurs to launch their own businesses, South Africans with entrepreneurial flair are now considering opening their own franchise store.

"The benefits of buying into a franchise or credible business opportunity include guidance, marketing support, economies of scale, training and association with a brand that has an existing track record. However, franchise owners still risk failure if they go into the business unprepared," says Lynn Chamier, GM of Thebe Reed Exhibitions, organisers of the expo.

## Franchisors ready

SA Franchise Warehouse, which engages with franchisors and prospective franchisees to facilitate funding and deliver business skills assessments, says proper research and planning is crucial. "Operators often venture into businesses where they have no or little industry experience, or they may borrow too much without mitigating the risk in another way. It is a common mistake to have overly high expectations on what the business can earn for them, with the result that their personal cost is too high," says Kobus Oosthuizen, MD of SA Franchise Warehouse.

Atul Padalkar of private business incubator Bizfarm, adds, "Demonstrating a professional image is important to a start-up business. Clients are quick to observe Gmail addresses, cell numbers and home based operations or coffee shop meetings. A good backup support is important to success as it ensures that promises are kept, follow-ups made and money is looked after. Coaching and mentoring support is also valuable and provides links and tips required for growth."

Taste Holdings spokesman Bronwyn Oliveira, representing major food brands The Fish & Chip Co., Maxi's, Zebro's and newly in SA - Domino's Pizza, says, "When you are looking at buying a franchise, it is crucial to enter an industry you enjoy. If you don't want to work the long hours necessary in the food industry, you might want to consider a retail store franchise instead." Oliveira also notes that Taste Holdings always advises potential franchisees that they should have at least 60% of the necessary funds available, and should consider working capital before opening a franchise, "Too big a loan is a burden to pay back," she says.

## Business acumen essential

Zhauns, a business opportunities group, says start-ups often fail due to a lack of business acumen, because they have not done research and pre-marketing, or because the business is not owner driven. "The key to success is a good business idea, hard work, patience and commitment," says the company. It adds there are also 'Four Ps' to successfully marketing products: product, place, price and promotion.

Mark Reeves, MD of the DIY Depot franchise, says would-be business owners should assess franchise contracts to ensure that the contract offers them some form of protection to a stipulated area, as well as continual franchisor involvement. The terms of the franchise agreement and the franchise fee structure should also be examined carefully, he advises. Reeves

says his top five tips for would-be franchise or business owners are to be owner operators, not to gear the business more than 50%, not to employ too many staff until you have an idea of the sales capability, to watch margin and expenses and to be service driven.

Pressed in Time, described as the biggest retail laundry and cleaning company in Africa, adds a warning not to buy in to empty promises. "Avoid businesses that make baseless guarantees of making millions," the company advises. "Go with brands that have a nationwide footprint to expand your chances of dealing with nationwide corporate clients, as well as brands that have a good reputation with landlords; have stood the test of time and will be there for you throughout your trading life."

For more information, go to [www.bofe.co.za](http://www.bofe.co.za).

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