www.franchise-plus.com

SPECIAL ISSUE
Volume 9 • Issue 3 | ₹45

Franchise PLUS

INDIA'S LEADING BUSINESS OPPORTUNITY PUBLICATION

BE YOUR OWN BOSS

10 HOT FRANCHISING IDEAS

+

BIZ BOND
FRESH BONDING FROM DOMINO'S

BIZ GYAN
MISTAKES TO AVOID

BIZ FOCUS
BOOMING EAST

STAY TUNED

How do I make my first million? How do I grow my business? What are the best options available? These are some of the questions that will figure in any aspiring businessman's mind.

And today we stand at a very interesting time. Today we operate in this new economy where working a job doesn't hold a long term prospective. People are willing to give away their jobs and push towards entrepreneurship.

At the same time job creation is also not at its best state. Companies aren't creating the types of jobs people need. And the fast road to entrepreneurship is nothing but adopting a franchising business.

It throws open great business opportunity. Links with some of the best of the class brands in the world and open up avenues for exponential growth. This issue of the magazine, apart from the cover story on business opportunities, talks about the dreadful mistakes that one could make as a franchising entrepreneur. Stay out of those zones.

Plus stories are on some of the world's top brands like Domino's and what are its plans for the Indian market. Plus we are starting up a sectioncalled Legal View, which will allow you to interact with legal minds to clarify your questions, on franchising business as well as general business areas.

Read on.

BIPIN CHANDRAN
Editor

bipin.chandran@exchange4media.com

www.franchise-plus.com

Franchise PLUS

INDIA'S LEADING BUSINESS OPPORTUNITY PUBLICATION

NOIDA OFFICE

B-20, Sector-57, Noida-201301, Phone: 0120-4007700; Fax: 0120 4007799

MUMBAI OFFICE

301, Kakad Bhavan, 3rd Floor, 11th Street, Opp. Gaiety Galaxy Cinema, Bandra (W), Mumbai 400 050
Phone: 022 2640 3309/3314/3303 Fax: 022 2640 3319

BENGALURU OFFICE

Ist Floor, No. 1062, 2nd Cross, 6th Main, Road, HAL II Stage, Indiranagar, Bengaluru 560038
Printed, Published and Owned by Annurag Batra at B-20, Sector-57, NOIDA-201301, UP

PRINTED AT

RP Printers, G-68, Sector-6, NOIDA, Uttar Pradesh - 201301
Editor: Vinod Behl
An exchange4media group publication

www.realtyplusmag.com

realty PLUS

Get Real Estate options customized to your budget!

Please fill this form if you are interested in purchasing/investing/renting real estate for residential, retail, commercial, industrial or other purposes specific to your parameters. Your profile will be shared with developers to provide you with the best available and upcoming options. Please send the completed form to:

REALTY PLUS, B-20, SECTOR-57, NOIDA- 201301

INSTRUCTIONS:

A. Please give as much information as possible and attach extra sheets if required.
B. Please tick the appropriate boxes ☐ ( ), wherever provided.
C. All fields marked (*) are optional

CONTACT DETAILS

Full Name

Date of birth Gender ☐ Male ☐ Female Marital Status ☐ Married ☐ Single

Address

City State Pin

Phone Mobile

Fax Email

Type Of Real Estate Required:

Residential ☐ Floors Retail: ☐ Malls ☐ Commercial

☐ Apartment ☐ Shops ☐ Industrial

☐ Independent house (in complexes others than malls) Others

Bedrooms ☐ 1. ☐ 2. ☐ 3. ☐ 4+

☐ Plot

☐ Others

Area Required (in sq. ft.):

Real Estate Acquisition Plan :

Mode of Acquisition : Purchase ☐ Rental ☐

Time Frame for acquiring the property

☐ 06 months ☐ 6-12 Months ☐ 1-2 Years ☐ 2 Years+ ☐ Others

Preferred Locations: Locations City State

Option I

Option II

Option III

Rental Budget (In case looking at rental options, Please specify rental budget in Rs./Months

Investment Amount (In case looking at purchase , Please specify purchase budget in Rs.

Loan Requirement: ☐ Yes (Amount in Rs. _____ Payback Period: _____ Years _____ Months _____

☐ No

Type of Ownership: ☐ Freehold ☐ Leasehold ☐ Undecided ☐ Others (please Specify

Current Occupation: Designation

Miscellaneous:

How did you get this issue of realty plus?

Any others comments

Thank You

For online Submission log on to **www.realtyplusmag.com**

CONTENTS

Regulars

CONTENTS

Angry Birds' franchise hopes to fly high this festival season

Original licensed merchandise from Angry Birds has crossed revenues of Rs 50 crore in India. Dream Theatre, Rovio's licensed merchandising agency, is expecting sales to escalate this festival season with companies such as Bata associating with the franchise.

"The about-to-strike Angry Birds phenomenon is an indicator of how the Indian retail market has warmed up to the concept of licensing, which is commonplace in the West. The popularity of Angry birds is phenomenal and the first of its kind for the Indian market where majority of licensed merchandising so far have hinged on TV exposure. This simple and fun game has captured the imagination of fans," says Jiggy George, CEO and Founder, Dream Theatre.

Roping in Indian companies such as Swadesh (for gifts and stationery) and Excel (plush toys), the Angry Birds franchise currently has 140 licensed products being sold at 600 odd retail points, across categories ranging from adult apparel, plush toys to stationery and gifts and novelties. "The advent of Android and iPhones having Angry Birds games has helped expand the reach of this franchise. Today, we have one third of our sales coming from Angry Birds products amongst all the character-based merchandise we have at our stores," said Prasanna Nagarajan, category Manager for toys and gifting, Cross Word Book Store.

This festival season will see another 350-odd products from the franchise across footwear and footwear accessories, kids apparel, fashion bags, and even furniture. Footwear majors such as Bata are also reaching out to the target audience through the licensing pact with the property. Rajeev Gopalakrishnan, group managing director, Bata India Ltd, said, "With this association, we look forward to further strengthen our relations with our younger audience. With a variety of products for pre-teens and teens, Angry Birds footwear with its styles and designs is expected to entice younger customers."

Mumbai to get first Starbucks outlet on Oct 19

Global coffee giant Starbucks will open its door for the Indian consumer on October 19 at Elphinstone Building, Horniman Circle, Mumbai. The Starbucks brand in India has been bought by an equal partnership-joint venture between Tata Global Beverages Ltd and Starbucks Coffee Company. The Indian company is called Tata Starbucks Ltd.

A company official said that the store will open its doors on October 19 at the space next to Croma, the electronics retail store of the Tata Group owned by Infiniti Retail.

On October 19, Tata Starbucks Ltd will first hold an editors conference followed by sampling of its products by the media and consumers. At 8 pm the outlet will see the gala event where Ratan Tata will also be present.

This will be the first Starbucks location to feature espresso sourced and roasted locally from India through coffee sourcing and roasting agreement with Tata Coffee Ltd.

This flagship Starbucks outlet will have place for upto 150 people.

FabMart.com to expand via franchise model

Bengaluru-based FabMart.com, a part of Madanapalle Retail Pvt Ltd, is planning to expand its presence with 12,000 franchisees across the country by 2014. Meanwhile, the company announced its entry into the Tamil Nadu rural retail market. It is focusing on national and international brand merchandise in tie up with retail outlets in rural market using technology platform.

The company has around 20 franchisees and plans to increase its presence through 2,500 in around 1,000 towns by 2013, covering southern and eastern states, said Alphonse Reddy, CEO, FabMart.com. The company plans to enter Karnataka after launching its operations in Tamil Nadu, according to Reddy.

Jubilant Food to hire up to 4,000 workers for Domino's Pizza

Jubilant FoodWorks, which operates Domino's Pizza chain in India will hire up to 4,000 persons in the country by the end of this fiscal to support its expansion plan of adding 100 new outlets.

"We will be adding between 3,000 to 4,000 people during this financial year," said Harneet Singh Rajpal, vice president (marketing), Domino's Pizza India.

The company employs nearly 15,000 people across all its stores that are owned by the firm. When asked about the expansion plan of the chain, he said: "We have already opened 24 outlets in the first quarter (of this fiscal) and are on track to taking it to 100 new stores in India during this fiscal."

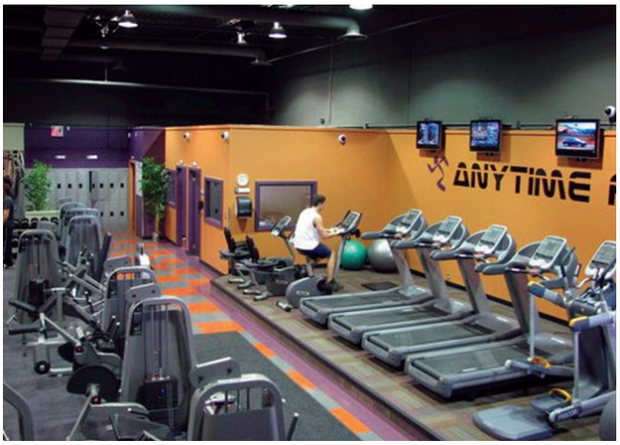
As on August 30 this year, Domino's Pizza has a total of 500 outlets spread across 110 cities in India. The company has earmarked a capex of Rs 150 crore for growth across verticals as part of its expansion plans. "The capex for this fiscal is Rs 150 crore. This will be for opening new Domino's stores, for opening of Dunkin' Donuts stores, for our operations in Sri Lanka and for opening of commissaries for our stores," Rajpal said.

Jubilant FoodWorks and its subsidiary operates Domino's Pizza brand with exclusive rights for India, Nepal, Bangladesh and Sri Lanka.

Yum! India to spend $100 million on expansion

Yum! Brands, owner of the KFC and Taco Bell restaurant brands, will spend $100 million in four to five years to expand in India, including the addition of 100 outlets in the country this year. The expansion is part of a plan to double stores in India and some neighbouring countries to 1,000 by 2015, Niren Chaudhary, president of Yum in India, said. Chief executive officer David Novak in July said Yum is following in India the strategy adopted in China, which accounts for 44 per cent of its revenue. "India is at the same point China was before it took off, in terms of macroeconomic parameters such as per capita income and export as a percentage of GDP," Chaudhary said.

Anytime Fitness announces sub-franchisee agreement for India



New Delhi-based House of Fitness Pvt Ltd, the master franchisee of Anytime Fitness LLC, the world's largest "24 hour" co-ed chain of health clubs, has signed its first sub-franchisee agreement with Shri Krishna Wellness. With the signing of the agreement, Anytime Fitness would open its first Gym at Model Town, New Delhi.

"This is the first step towards expanding our services in the Indian healthcare market and we are pleased to tie-up with Shri Krishna Wellness. Shri Krishna Wellness would get all the support from us which would include the brand support and years of our experience in this vertical," said John Kersh, vice president of international development, Anytime Fitness, USA.

"There is an opportunity to provide health care facility across Indian Cities, as we have been witnessing that people in India are becoming increasingly health conscious due to various reasons. We expect the number of such people to grow. There is already a demand for the corporate wellness programs. Although, India is far behind the America, but nevertheless, we are moving on the right track," said Vikas Jain, CEO, House of Fitness Pvt Ltd.

Anytime Fitness' concept provides a perfect solution for busy people looking for comfortable and convenient facilities. The convenience and affordability of Anytime Fitness for both men and women will keep benefiting the members and encourages them to strive for and meet their health and fitness goals.

Anytime Fitness India will provide exclusive rights to Shri Krishna Wellness for use of the brand's trademarks, systems and intellectual property under supervision during the term of the agreement, and will support the sub-franchisee via its corporate headquarters in the US.

Dunkin' Donuts opens store in Delhi

Dunkin' Donuts, one of the world's leading donut, coffee and freshly-made sandwich chains, has announced the opening of its new store in New Delhi. It is the fifth outlet in the National Capital Region after Connaught Place, Greater Kailash, DLF Saket and Unitech Cyber Park, Gurgaon. All five outlets were opened within a span of just five months. Jubilant FoodWorks Ltd owns the franchisee rights for Dunkin' Donuts. The company is well on course with its plans to open ten more outlets of the chain in the NCR this financial year.

Commenting on the launch, Dev Amritesh, president and chief operating officer, Dunkin' Donuts, said, "We have been receiving a fantastic response from consumers at our existing stores in NCR. Today's urban consumers are adopting a new lifestyle. With Dunkin' Donuts our focus is to provide a unique offering with a great balance of both foods as well as beverages."

"Branded in India as Dunkin' Donuts & More, the name signifies our food and beverage options. Dunkin' Donuts occupies the sweet spot between cafes and quick service restaurants (QSR), as it offers elements of both," Amritesh added.

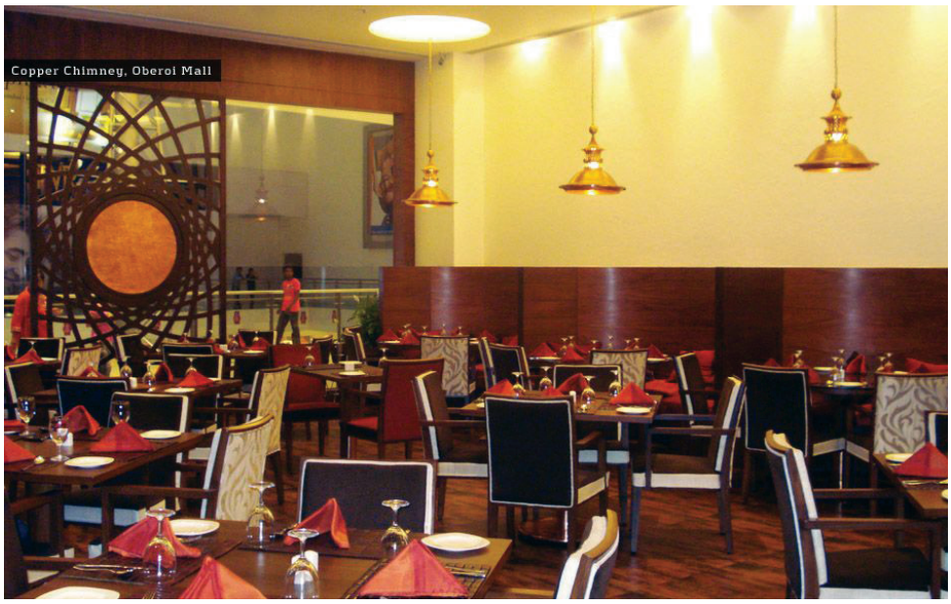
CarZ forays into Hubli

CarZ, an independent multi brand auto solutions network, has opened its third outlet in Karnataka at Hubli. Carz has two outlets in Bengaluru and the Hubli outlet is its 16th in the country. Expansion into Karnataka is a part of the its aggressive plans of expanding its footprints across the country.

"Hubli which is regarded as the commercial centre and business hub of North Karnataka, with a population of nearly a million people, second only to Bangalore, is a very attractive market for us, both in terms of growth and potential," said Venu Donepudi, founder & managing director of CarZ, in a statement.

Under this endeavour, the company will be ready to provide complete auto care solutions to customers which include preventive maintenance, electrical and mechanical repair, accident repair -- denting and painting, tyres and services, battery, variety of styling and performance accessories, interior and exterior detailing. CarZ was founded in 2008 by Venu Donepudi and Vijay Gummadi.

Pan India Food to focus on fine dining formats


Copper Chimney, Oberoi Mall

Mumbai-based food company Pan India Food Solutions (previously Blue Foods) will focus on fine dining formats as it enters new markets. The company is scaling up formats such as Spaghetti Kitchen, Copper Chimney, Noodle Bar along with Gelato, its Italian frozen desert brand. The company operates franchise stores across various brands. "There could be bigger outlets as well as kiosks depending upon the place we get. Coffee is a tough business as it is local in nature and the challenge is to offer customisation," said KS Narayanan, CEO, Pan India Food Solutions.

Being the master franchise for The Coffee Bean and Tea Leaf, the company will experiment with different formats ranging from kiosks to full-fledged cafes and add six new outlets (currently it has 21 cafes). As a format, The Coffee Bean and Tea Leaf turned profitable more than a year ago when food was added to the menu.

Meanwhile, the company has managed to break even last fiscal, by scaling down its food court brands such as Spoon and Foodtalk. Experimental formats such as the Bistro, a high-end cafeteria brand, and Penne (Italian food) are also being sidelined and will not be a focus area for the company.

Samsung plans to expand retail footprint to over 1,000 outlets

Samsung is aiming to capture a larger share of the consumer segment for IT products like laptops and printers as it expands its retail presence across the country to over 1,000 outlets. The company is also looking to recruit potential franchisees to support its expansion plans.

"We are focussed on launching more made for India products and expanding our retail footprint. Currently, we have about 700 Plazas, IT exclusive stores and presence across large formats retail stores and multi-brand stores. We are looking at taking this to 1,000 by this year-end," Samsung India head (mobile and IT) Ranjit Yadav told reporters. Samsung, which has about nine per cent share in the consumer notebook segment, is aiming to expand it to about 12 per cent by the end of this year, he added. Similarly, its looking at a 40 per cent share of the Indian multi-function printer segment by December 2013 from its current share of about 22 per cent, he said.

Mobile and IT sales contributed about 55 per cent to the company's Rs 20,000 crore revenue registered last year.

Samsung is also looking at maintaining its leadership position in the monitor segment, he said adding that Samsung has a 27 per cent share in the segment.

Yo! China to open 10 large-format cafes

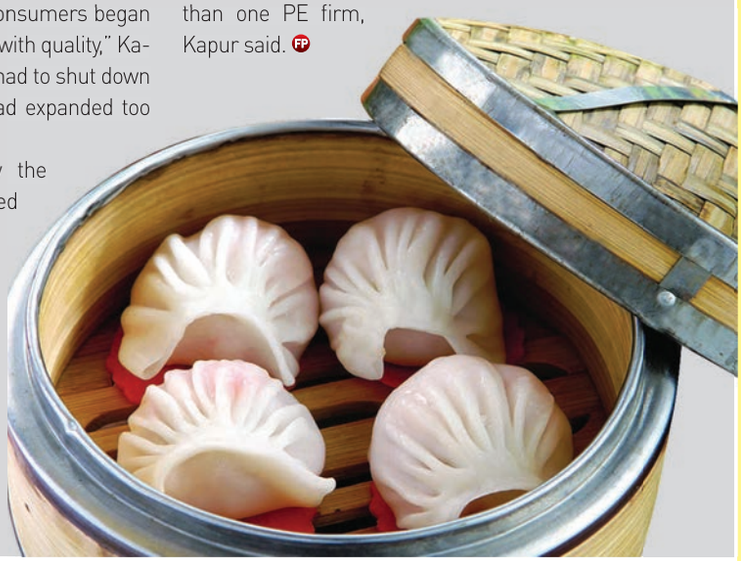
Moods Hospitality, the owner of Chinese fast-food restaurant chain Yo! China, will open 10 youth-friendly cafes over the next one year as part of a strategy to increase profitability. To be called Yo! China Cafe, the large-format cafes will serve food at a 20 per cent premium over the entry-level pricing at Moods Hospitality's existing outlets. The first such cafe is expected to open in the next 10 days, according to its top official. managing director and CEO Ashish Kapur said.

"We are moving up the curve. This is our new focus area. We expect the cafes to be a more profitable business model than our existing outlets," said Ashish Kapur, managing director, Moods Hospitality.

The cafes, with an average built-up area of 2,000 sq ft, will have display kitchens and serve alcohol and specialty desserts. Some existing Yo! China restaurants could be converted into cafes, Kapur said.

The company plans to hire college students as store managers for the cafes to help connect better with the youth. Kapur, who also worked with GE Capital before launching the Yo! China in India said the tagline "Chinese food at Chinese prices" made Yo! China popular, but didn't work later. "About four years back, we made the mistake of continuing to say that we serve the cheapest Chinese food. Consumers began relating the prices positioning with quality," Kapur said, adding that the firm had to shut down about 10 stores because it had expanded too fast at the cost of profits.

Consultants, however, say the new business model will need to be tested before it can be scaled up. "The cafe business is not easy and is traditionally not associated with Chinese cuisine," said Pinakiranjan Mishra, partner (retail and consumer products) at consulting firm Ernst & Young. The Rs 50-crore Moods Hospitality operates 50 Yo! China outlets and two fine dining Dim Sum Bros restaurants in the country. The company is looking to raise over Rs 60 crore in the first quarter of next year to facilitate expansion of Yo! China and Dim Sum Bros. The infusion could be from more than one PE firm, Kapur said.



Hardcastle buys out McDonald's stake

The world's largest fast-food restaurant company, McDonald's Corporation, has exited from one of its Indian joint venture entities which runs its chain here. Hardcastle Restaurants Pvt Ltd (HRPL), which operates McDonald's outlets in the South and Western India, has bought the US fast food chain's 50 per cent stake in the joint venture, HRPL managing director for McDonald's India for South and West, Smita Jatia, told Business Line.

She said HRPL has now become a "developmental licensee" for McDonald's chain of restaurants in its region here which allows it more leeway to make decisions.

"Earlier, all investment decisions had to go through the US company," she pointed out. Now, HRPL can take decisions regarding locations, purchase of real estate, among others. "We can now grow faster than before," she said. McDonald's upgraded HRPL's status on the basis of its financial performance, organisational capabilities, as well as other criteria. But HRPL will continue to pay a royalty fee of 5 per cent on its gross sales to McDonald's Corporation every year, Jatia said.

She, however, did not disclose other details of the new profit sharing arrangement. As a franchisee, HRPL paid a franchisee fee of $45,000 and 5 per cent of gross sales as royalty every year to McDonald's Corporation. Jatia said HRPL will now invest over Rs 600 crore within a period of two-three years to expand rapidly. She said her company would open between 30 outlets and 40 outlets a year, compared with about 15 per year earlier. HRPL runs about 140 outlets in South and Western India. FP

McDonald's to open veg-only outlet in Vaishno Devi

McDonald's, the world's second-largest chain, will open its first vegetarian-only restaurant, at the foothills of the Vaishno Devi shrine at Katra in Jammu & Kashmir, next year.

"We see a huge potential (for veg outlets) as, by nature, Indians are religious," says Vikram Bakshi, who manages McDonald's restaurants in east and north India as a joint venture partner of the US giant.

After Vaishno Devi, McDonald's plans to open another pure vegetarian outlet near the Golden Temple in Amritsar.

McDonald's has 33,000 outlets across 119 countries, serving 69 million customers everyday, but nowhere else has McDonald's been so flexible with its menu as in India.

Bakshi, who has undertaken several pilgrimages to Vaishno Devi, says there is no organised restaurant there to serve the 1 million pilgrims visiting the shrine every year. "Every time I go there, my resolve (to open a restaurant there) becomes stronger," he says. McDonald's has signed up a property at Katra. It opened its first outlet in Jammu last month, thus creating the necessary supply chain in the region.

McDonald's Katra outlet may by a culture shock for its fans, but it's not the first global chain to open pure-vegetarian outlets to woo spiritual Indians.

Other global chains such as sandwich giant Subway -- which last year surpassed McDonald's as the world's largest restaurant chain -- and pizza major Domino's -- India's largest quick-service restaurant chain -- too have been hit by this wave of vegetarianism in India.

Subway opened its first vegetarian-only outlet at Amity University at Noida last year, followed by another at Ghatkopar in Mumbai two months ago. It plans at least four more in the near future. A Subway spokesman said the chain has received several franchisee inquiries for vegetable-only restaurants recently. Domino's has eight restaurants serving only vegetarian pizzas in places including Haridwar, Shirdi and Ahmedabad.

Yum! Restaurants, which operates chains such as KFC and Pizza Hut, has rolled out two fully-veg Pizza Hut outlets in Gujarat and plans to introduce 2-3 new vegetarian items in KFC outlets by February next. FP

McDonald's franchise to expand in west, south India

Hardcastle Restaurants, the developmental licensee for McDonald's in South and West India, plans to raise debt from lenders to part fund a Rs 500-crore expansion plan that it hopes will help it double store network from around 140 at present.

"We want to do what we did in 15 years in just three years. We are now cash flow positive and a debt free company. So we will fund the expansion with internal accruals and some debt," Smita Jatia, managing director of Hardcastle Restaurants, told Financial Chronicle. With an average investment of around Rs 3 crore per store, the chain will need to leverage its balance sheet to raise loans to fund the aggressive investment schedule, as cash flows from existing stores will not be enough to fund the large capex required.

"As compared with the average of five to six new stores we opened each year we now plan to open between 35-45 new stores a year," said Jatia.

"All of the outlets run by McDonald's in West and South India are company owned and operated, and we do not operate the franchisee model," said a Hardcastle spokesperson in an email response. The company that experimented with a franchisee model for its launch in Bangalore decided against using this route to expand its footprint even though a franchisee led growth strategy is less capital intensive.

Hardcastle that was aiming to make a net profit in 2010 bought out the 50 per cent share of McDonald's in the JV in the same year using internal accruals. But the strategy of offering a range of value meals, Happy Price menus and limiting price increases to three to four per cent a year have kept it from earning a net profit. Incidentally, McDonald's had hoped to make a net profit in India by 2008, but the global economic slowdown lengthened the quick service restaurants wait further.

"Our revenues have been increasing by 35-40 per cent every year as eating out has become a convenience from an indulgence, resulting in increasing frequency of consumption for the average middle class," said Jatia.

Hardcastle pays McDonald's corporation a royalty fee at five per cent of its gross sales in addition to other fees.

Caffé Bristot set for debut in India; to expand via franchise route

Procaffe, the Italian coffee roasting conglomerate, is all set to debut its flagship gourmet coffee bean brand Caffé Bristot in India. To start with, Caffe Bristot will be launching its complete range of coffee beans and cafe branding for Indian cafes. Over a period of time, Procaffe along with its partner is also understood to be exploring option to expand its café business under the brand Testa Rossa.

Vickram Mederata, MD, Cocolatte Foods who is the franchisee in India for Caffé Bristot said that there are a lot of coffee chains in India who are yearning for Italian expertise and want to offer a range of specialized coffee to their customers to stand out in the clutter of coffee chains in India. "Caffé Bristot with its heritage of ninety years and deep understanding of fine gourmet coffees will bring their expertise to such coffee chains in India to draw in customers who are looking for an authentic Italian coffee experience," Mederata said.

Though Mederata declined comment on the café business under Testa Rossa which will be expanded in India, it is reliably learnt that in addition to a small presence in India, this café chain will be expanded with multiple franchisees in the near future. This move by Procaffe to tap the Indian market comes a few years after another Italian coffee major illycaffe announced plans to set up cafés in India through the franchisee route.

Even as Testa Rossa is testing the Indian market, US-based Starbucks is understood to have finalised an aggresive roll-out of atleast 50 cafes within the current fiscal. Cafe Coffee Day is the market leader in the segment with close to 1,300 cafes and is expected to add another hundred over the next year.

VITS offers franchise to stand-alone hotels in Mumbai

Andheri East-based VITS hotels, a chain of business luxury hotels run by Kamat Hotels India Ltd (KHIL), has come out with a franchise programme to revive stand-alone hotels, who sign up, eventually allowing VITS to expand their presence in the city's hospitality sector.

Under the business model, for a one-time fee of Rs 18 lakh, VITS would provide franchisees with a brand name, operational expertise and staff training. Independent hoteliers will continue to hold their ownership of the hotel. The model is based on 100 percent returns on investment (ROI) policy. VITS informed that their share would be Rs 50 per day for a room.

Chandrakant Shetty, vice president (operations), VITS explained that the programme would speed up there expansion ambitions as the growing real estate in Mumbai makes buying space unaffordable. He said that several hotels across India had shown interest and talks had reached an 'advanced' stage.

According to KHIL, due to lack of marketing skills and a budget to spare, standalone hotels were losing out. With the resources at their disposal, franchisees could have a shot to be at par international standards.

The model has a special plan to protect hoteliers from being exploited by online travel agents. For this they intend to use proprietary software, Tycoon and Fast Forward, for internal operations. Also the hotel is equipped with the global distribution system, internet distribution system and central reservation system which would help generate a strong database.

On the marketing front, the franchisee hotelier would get the brand building support from VITS as it had s strong presence in print, outdoor, radio and TV broadcast media (Running ad spots on about 21 national TV channels and radio) supported with strong loyalty card members. FP

Gap mulls India entry

US apparel giant Gap Inc has said it is considering launching retail stores in India but stressed it is in the early stages of the process. The San Francisco-based retailer, which operates more than 3,200 stores worldwide, is allegedly conducting market research in the country to operate retailer stores in the future, reports The Wall Street Journal.

Gap is likely to decide how many stores it will open and how much money it will spend in India early next year, the report added.

According to its spokesperson: "Gap Inc has a strong growth strategy, as illustrated by our expansion in China, our first international Old Navy store in Japan, the performance of our franchise stores and the opportunity for Athleta in the US.

"As our CEO has said, India is one of the markets that we could consider in the future, but any exploration of this opportunity is in the very early stages."

In January, the Indian government approved 100 per cent foreign direct ownership (FDI) in single-brand retail. With proposals involving FDI of more than 51 per cent, at least 30 per cent of the value of products sold would have to be sourced from Indian small industries, the government said.

Last month, Gap booked a 29 per cent jump in second quarter net profit, which was boosted by across-the-board comparable store sales increases for its main brands.

International growth continues to be a key strategy for Gap. In July, it opened its first Old Navy store outside the US, in Japan, the report added.

Gap sells clothing, accessories, and personal care products for men, women, children, and babies under the Gap, Banana Republic, Old Navy, Piperlime, and Athleta brands.

Its products are available in about 90 countries through about 3,000 company-operated stores, as well as over 200 franchise stores and e-commerce sites. FP

Armani Junior inks franchise pact with designer Suneet Varma

Armani Junior, the subsidiary of luxury fashion label Giorgio Armani, has joined hands with designer Suneet Varma for its India foray. Varma's firm, Unique Eye Luxury Apparel, along with some partners has inked a three-store deal. The first store was launched at the capital's luxury destination DLF Emporio earlier this week.

Established in 2011, Unique Eye Luxury Apparel specialises in providing retail and distribution platforms for international luxury brands.

"Our strategic intent is to develop successful partnerships with international luxury brands and enable them to enter and expand in India," Varma, director, Unique Eye Retail, said.

He said the company zeroed in on the niche market for kids wear after detailed research on the future potential of the different segments of the luxury market.

The company said it was looking to expand the brand to Mumbai, besides looking to bring a range of ready-to-wear designer labels in the kids wear and women's wear categories.

Armani Junior is the second international agency secured by Suneet Varma after American luxury brand Judith Leiber, which is known for handbags.

Louis Philippe to add 50 stores this fiscal; seeks franchisees

Louis Philippe, the formal premium menswear brand from Madura Garments, plans to set up 50 new stores this fiscal. The expansion will be done through both franchise and company-owned stores. Meanwhile, the company has launched its flagship store at South Extension, New Delhi. Spread across 3,500 square feet, the store offers a wide range of shirts, suits, trousers, t-shirts, denims and accessories.

Speaking on the occasion, Jacob John, brand head, Louis Philippe, said: "Delhi's largest Louis Philippe store marks another high point in the long list of our retail success stories this year. This store is an indication of our commitment to the fashionable and sophisticated city of Delhi." The company has invested about 1 crore in setting up the new store.

Louis Philippe is available at more than 130 flagship stores across India

Lipsy inks franchise pact with BMI to enter India

Trendy young British fashion brand Lipsy on Tuesday announced that it has entered into an exclusive franchise agreement with Brand Marketing India (BMI) to market and distribute its products in India. Lipsy, which was acquired by Next Plc in 2008, is one of the UK's popular fashion brands.

Known for its trend clothing and massive celebrity following, Lipsy is already selling internationally through recently opened franchise stores in the Middle East and CIS regions. Emma Dobson, head of International Lipsy, said: "This is a key milestone in our international expansion and underscores the international appeal of our brand. We are delighted to be working with the team at BMI and look forward to introducing Lipsy to their customers."

BMI, the company responsible for the successful launch and development of the Calvin Klein Jeans, Calvin Klein Underwear and French Connection businesses in India, intends to open over 50 Lipsy stores over the next five years, thereby, effectively positioning the business to capitalize on the significant growth potential of the Indian market.

Commenting on the collaboration, Vijay Murjani, managing director of BMI, said, "The combination of glamorous fashion, affordability and a great retail experience has ensured the brand has been an overwhelming success with both celebrities and young trendsetters across the UK."

"We are confident that the young Indian consumers will embrace the brand in the same way."

Madura in talks with global fashion brands to form JVs

Aditya Birla group firm Madura Fashion & Lifestyle (MFL) is in talks with a select few international luxury fashion brands to form joint ventures for opening standalone stores in India. MFL that runs The Collective stores retailing a slew of global fashion brands, including Armani Collezioni, Versace Jeans and Hugo Boss, will be investing over Rs 100 crore to take its total store count to up to 15 in five years.

"Recently, we had a relook at our international brands business and we believe that a select few brands could be scaled up to become independent mono-brand. We are in talks with those brands to form joint ventures so that we can open standalone stores," MFL CEO Ashish Dikshit said.

According to industry sources, the company has been having dialogues with Ted Baker, True Religion and Fred Perry brands for separate JVs, in line with the move to open mono-brand stores for British men's luxury clothing and accessories brand, Hackett.

Dikshit, however, declined to confirm it. "We are in talks with other international brands, which are not in the portfolio of The Collective, as well. We are looking at other brands too," he said.

When asked whether MFL will be the majority stakeholder in the proposed JVs, Dikshit said: "Not necessarily. We will take one brand at a time and a lot will also depend on the other brand partner. With Hackett, for instance, we will have a 50:50 JV."

Samsonite plans 65 stores over next three years

Samsonite India, the wholly-owned subsidiary of world's largest travel luggage maker Samsonite International is investing over Rs 75 crore in setting up luxury and sports lifestyle stores across the country.

"We are shifting gears from being a premium segment to luxury and sports lifestyle brand in the Indian market," said Ramesh Tainwala, president Asia Pacific and West Asia at Samsonite International. He said the 100-year company will open 15 company-owned Hartmann luxury and 50 High Sierra sports brand stores across India in the next three years.

"The strategy is to offer an entire range of products from Samsonite stable for the discerning Indian, whose appetite for the branded products has been growing rapidly," Tainwala said. Hartmann and High Sierra brands will help it position itself as a lifestyle brand and not just a luggage-only brand, he said.

At present, the company's bags and luggage brands comprise Samsonite, American Tourister, High Sierra, and Hartmann, but only the former two are available in the Indian market. While the American Tourister and Samsonite products carry a price tag of Rs 2,000-10,000 and Rs 7,000 upwards, respectively, High Sierra range costs Rs 5,000-15,000 and Hartman Rs 50,000 upward.

"We will open company owned exclusive Hartmann stores first in Delhi and Mumbai in January-March and cover all metros and mini-metros such as Bangalore, Ahmadabad, Chandigarh and Pune to tap the affluent consumers over the next two-three years," Tainwala said. He said each store will require an investment of Rs 4 to Rs 5 crore.

The company will also open 50 High Sierra flagship stores in the top 25 cities, including tier II cities such as Lucknow, Jaipur, Indore and Kochi. "Each of these stores will cost the company Rs 30 lakh upward," Tainwala said. He said company will also open 150 more sales points through department stores such as Shoppers Stop, Lifestyle and Central.

"We are targeting 25 per cent growth to touch total revenues of Rs 1,200 crore in calendar year 2012," he said.

Ben & Jerry's may come to India within six months

Ben and Jerry's Homemade Inc signature ice cream flavours may soon be available in India. The unit of the Anglo-Dutch consumer goods maker Unilever Plc. — it took over the US company in 2000 — is planning to enter the Indian market within six months, Mint reported, citing sources familiar with the company's plan.

Ben & Jerry's didn't say whether it had plans for India. "Because of the competition we face as a company, we are unable to release where we are heading next. Who doesn't love a sweet surprise every now and again, though? We are always looking for new places to bring a little of Vermont's finest," said a public relations executive at Ben & Jerry's.

"It has completed its due diligence. It's likely to start its India operations in about three-six months," sources were quoted as saying.

Amit Lohani, managing director at Max Foods Pvt Ltd, said the US brand's entry into India was "on the cards", citing what he described as "reliable market sources". Max Foods trades in international food and beverage brands including Doritos.

Ben & Jerry's, headquartered in Vermont, operates in 30 countries including the UK, Australia, Germany and Singapore. It's not clear whether the brand will be distributed in India by Hindustan Unilever Ltd (HUL), the Indian subsidiary of Unilever.

Qatar firm set to launch own luxury fashion brand

Qatar Luxury Group is reportedly gearing up to launch its first luxury fashion and accessories brand. According to a report by the Huffington Post, the launch of the brand QELA will be boosted by the opening of luxury boutiques around the world.

It said the brand will be launched in Doha, Qatar's capital city by the end of the year, and will likely expand with shops planned in New York, Paris, Los Angeles, Milan, London and Tokyo.

"Since its inception, the goal for our group is to create a fashion brand in Qatar, with the next step being international expansion. We are currently working on the collection," Caroline Guillon, marketing director of the Qatar Luxury Group, told the paper. The company, linked to Sheikha Mozah bint Nasser, the wife of the Emir of Qatar, was reportedly behind a £27 million investment in luxury handbag and accessories manufacturer Anya Hindmarch.

The UK's Telegraph reported that Qatar Luxury Group bought the stake in the British company, adding two directors on the board of Anya Hindmarch's holding company, ASHS.

Sheikha Mozah, who was last month voted among the most stylish women in the world by US magazine Vanity Fair, owns the Qatar Luxury Group, which also has a stake in French leather goods maker Le Tanneur & Cie.

Last year, the company said it was in talks with a three-starred Michelin chef to open a new restaurant in the Gulf state. FP

American Eagle to expand to the Philippines

American Eagle Outfitters Inc unveiled new plans to expand to the Philippines, with the first stores slated to open in spring of 2013. The teen apparel retailer has signed a multi-year retail license agreement with the Suyen Corp., which also operates franchise businesses for many popular international brands such as Aldo, Mothercare and LaSenza. Suyev operates about 744 stores in the Philippines, as well as 126 franchised stores in the country.

Global business development vice president Simon Nankervis said the Philippines "has a strong, growing economy, and the Filipino customer has a desire of fashion brands and enthusiasm for iconic American brands such as ours." American Eagle has been expanding internationally, opening stores in Israel as well as Japan this year in addition to growing the Middle East business that launched in 2010. By the end of this year, the company says it will have stores in 13 countries and ship online to 77 countries internationally.

Recently, the retailer said it will enter Mexico in the spring of 2013, with plans to open at least four company-owned stores. FP

Gery Weber takes majority stake in franchise stores

German women's wear brand Gery Weber has acquired a majority stake in its Dutch franchise partner's Gery Weber operations in the country.

The deal will see the company take a 51 per cent stake in the 25 stores and 15 concessions in the Netherlands. Gery Weber will also have the right to acquire the remaining 49 per cent after 2017.

The company said the deal fits in with its strategy to expand its retail operations in its core foreign markets.

"We are not only acquiring a very profitable network of well-established Houses of GERRY WEBER but will also benefit the growth potential of one of our most important European markets. Local management will remain in the hands of our experienced franchise partner, who will support our ongoing expansion in the Netherlands," said Gerhard Weber, CEO, Gery Weber. FP

Jumeirah Restaurants' franchise to open in Kuwait, Bahrain, Oman and Turkey

Jumeirah Restaurants LLC, the branded restaurant division of Jumeirah Group, has signed two franchise agreements that will see Urbano, its Italian restaurant concept that is at Souk Al Bahar in Dubai, open soon in Kuwait, Bahrain, Oman and Turkey.

Jumeirah Restaurants signed a licensing agreement with a key Food & Beverage market leader in Bahrain to open Urbano restaurants in Kuwait, Oman and Bahrain. The first Urbano in Bahrain will open in Seef District in late 2012.

Meanwhile, in Turkey, Jumeirah Restaurants signed with BCF Group to open the Urbano restaurant in Aqua Florya Mall, located in an affluent neighbourhood of greater Istanbul. The restaurant is scheduled to open in October 2012.

Urbano serves authentic Italian cuisine using the freshest seasonal ingredients with traditional cooking techniques that enhance the natural flavour of food. The first outlet of Urbano opened in Souk Al Bahar (Dubai) in 2008, combining three elements -- caffe, trattoria and pizzeria -- to deliver authentic, tasty and simple Italian cuisine in a modern environment. Urbano is the second restaurant concept developed by Jumeirah Restaurants to gain international awareness. Starting out as a UAE home-grown brand in 2002, the noodle house is currently operational in 13 countries and is set to enter Russia, Lebanon, Great Britain, Morocco and Bahrain in the coming months. FP

British shoe retailer Kurt Geiger to focus on overseas expansion

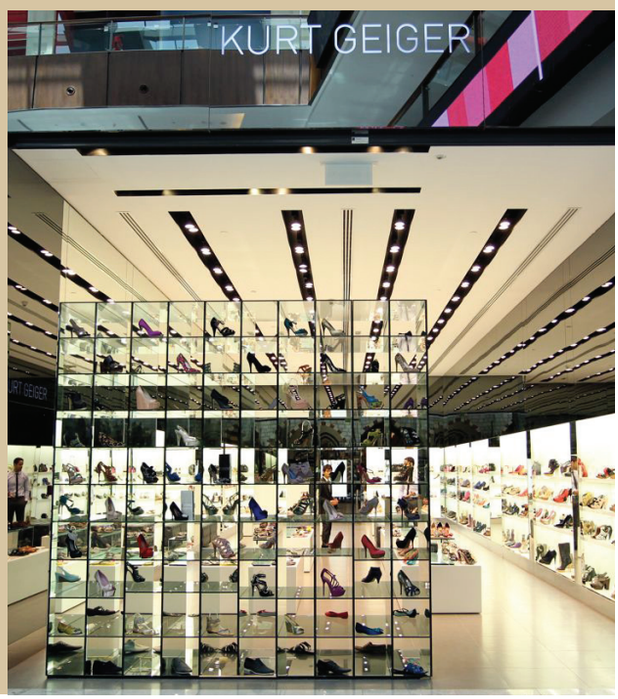
Kurt Geiger, Britain's third largest shoe retailer, will turn its back on its UK expansion plans in favour of international markets including the Middle East, its chief executive has said. The retailer, which in 2010 said it had the potential to open 40 new stores across the UK in five years, has been forced to curb its UK expansion plans due to high rents and the unsustainable level of business rates.

"Business rates actually are what are killing UK retail, probably more than rents. Northern UK cities generally are a lot higher and can be as much as double some of the markets in the south," Neil Clifford told The Telegraph. "Landlords need to look at themselves in the mirror and ask what their business is going to look like in ten years," he added.

The firm, which has a turnover of £260 million ($412.5 million), said its new strategy will focus on growing the group in the Middle East, Russia, Turkey and France, where it has 25 stores.

The group also plans to launch in Hong Kong, Macau, Shanghai and Beijing next year and has a target to reach 10-15 stores in the US by 2015, said Clifford.

Kurt Geiger signed a franchise agreement with Dubai-based Landmark Group in 2007 to open 30 stores across the Gulf in five years. Landmark opened its fifth UAE store in Abu Dhabi's Marina Mall in April. FP



Domino's opens first store in Nigeria

Domino's Pizza Inc recently started its first store in Nigeria, in association with its master franchisee, Eat 'N' Go Restaurant Group. The group believes that the Nigerian market has immense untapped opportunities for Domino's, and intends to place the brand as a leading one in the region over time.

Eat 'N' Go Restaurant Group boasts significant local market knowledge and has a proven track record of operating quick service, fast casual, fine dining restaurants as well as coffee shops in that market. Further, the group enjoys the status of being the franchisee for another US-based ice cream parlor chain, Cold Stone Creamery, in the African market.

Domino's has been riding on a growth trajectory. It generates more than half of its global retail sales from international stores, constituting over a third of its adjusted operating income. It surpassed 5,000 international Domino's Pizza stores in the recently concluded second-quarter of 2012. Its long-term global retail sales outlook calls for 5–8 per cent growth.

Following the continued traction in the overseas market, as evident by the international same-store sales growth of 5.7 per cent as against 1.7 per cent domestic growth in second-quarter 2012, Domino's intends to further widen its global footprint. Presently, Domino's has its presence in over 70 international markets. The company targets to maintain 3–6 per cent growth in international same-store sales over the long term. Domino's is not the only quick service restaurant chain to focus on the African region. Another US restaurateur, Yum! Brands Inc is also expanding its business in that continent with its KFC brand. Yum Brands is looking to expand mostly outside South Africa, in countries where its presence is negligible. Yum! will have about 1,200 units in Africa by 2014. FP

Domino's Pizza opens 10,000th store

Nearly 53 years after its founding in Ypsilanti, Michigan, Domino's Pizza has opened its 10,000th store and celebrated the milestone in Turkey -- one of the fastest-growing markets for the recognized world leader in pizza delivery.

One day after opening its 9,999th store, located in Carlsbad, California, Domino's Pizza opened its milestone store in Kaligthane, a district within the city of Istanbul, in an event attended by Domino's president and chief executive officer, J Patrick Doyle.

"The extraordinary efforts of many people over many years have led us to this exciting milestone for everyone associated with Domino's Pizza," said Patrick Doyle. "There have been several ups and downs over the past half-century. Those challenges were met and overcome by our passionate franchisees and leadership who refused to give up. Our goal was to reach 10,000 stores and to use this milestone as a foundation for even greater growth. That milestone has finally arrived and we're thrilled.

Added Richard Allison, Domino's executive vice president - International: "The launching pad for Domino's Pizza was clearly the US, but our international operation has been the accelerant for growth in the past decade. Pioneering markets such as Australia, Mexico, India, the United Kingdom - all markets where Domino's is number one in market share - helped pave the way for the rest of the world. Thanks to our pioneers, today franchise partners like Fides, which now has over 250 stores in Turkey, can grow to become their market's leader in a relatively short time." Domino's international store count eclipsed its US store count earlier this year, and now also accounts for more than half of annual global retail sales, which are close to $7 billion.

Domino's Pizza in Turkey is owned and operated by Fides, a private equity company, and operated by Aslan Saranga, the brand's general manager. During the celebration week, Domino's Pizza will be giving away 10,000 pizzas free to its Turkish Facebook fans, and will be offering a 50 percent discount off the menu price for all online orders.

The store features the "Pizza Theater" design introduced this summer in the U.S., Australia and New Zealand. The store design puts the art and skill of pizza-making at the front of the store, visible to all customers. The design was created by Chute Gerdeman, an award-winning design firm based in Columbus, Ohio. FP

Pie Face strikes deal to open more than 60 NZ stores

Australian food franchise Pie Face plans to open more than 60 stores in New Zealand after granting an exclusive license to two local businessmen.

Founded in 2003 by Wayne Homschek and Betty Fong, Pie Face specialises in gourmet pies. Australian operations have grown to include 76 stores, with about $50 million in network sales.

In February this year, the company opened its first store in New York before securing a $15 million investment from casino mogul Steven Wynn in June. The company has unveiled a plan to open at least 62 stores in New Zealand, granting an exclusive license to local partners Julian Field and Jared Palmer.Field in particular is well versed in the business of franchising, and has spent 15 years as a multi-unit franchisee for Subway. The Pie Face stores will be rolled out over a 10-year period.

Field and Palmer will initially establish a training store in Auckland, followed by a rollout there. The first store is expected to open in April next year.

Products will initially be imported from Pie Face in Australia but will then be produced under license in New Zealand. Pie Face is the second major pie chain to set up shop in New Zealand following the closure of George Pie in 1999. Meanwhile, Jesters Pies opened in 2002 and now has a network of 17 stores.

Victoria's Secret enters Malaysia

The glamour of Victoria's Secret extends its doors in Malaysia, celebrating the opening of Victoria's Secret Beauty & Accessories store at Pavilion, Kuala Lumpur.

The store offers customers access to an assortment of the best-selling Victoria's Secret products including fun and flirty prestige fragrances such as the iconic Victoria's Secret Bombshell and the newest fragrance, Body of Victoria, and the popular scented VS FantasiesTM body care range.

The Victoria's is managed by the Valiram Group who originally specialised in the textile trade.

Creating world-class retail environment, which offers compelling and luxurious shopping experience, is the group's hallmark as it continues to bring the region's iconic luxury brands and cutting-edge retail concepts in the domestic and travel-retail areas.

Today, the Valiram Group is Southeast Asia's leading luxury goods and specialist retailer, with presence in Malaysia, Singapore, Indonesia, Australia and China.

The group operates over 100 stores, representing in excess of 150 brands across various categories, including fashion and accessories, timepieces and jewellery, leather goods, fragrance and cosmetics and confectionery.

Saks opens store in Kazakhstan

Saks says its first Saks Fifth Avenue store in Kazakhstan has opened. The store that opened Sunday is three levels and 91,000 square feet (8,450 square meters), and it is located in a new shopping, commercial and residential complex in Almaty, the country's largest city. Saks will not operate the store; it will be run by the VILED Group, the largest retailer of luxury jewelry and watches in Kazakhstan. Saks operates 45 stores in the US and licenses stores in Mexico City, Dubai and Manama, Bahrain, in addition to Almaty.

Burger King opening 41 stores in Singapore and Malaysia

Burger King Worldwide is expanding in Singapore and Malaysia after selling 41 company-owned Burger King restaurants to Rancak Selera Sdn Bhd (Rancak Selera) in Singapore, part of Ekuiti Nasional Berhad's (Ekuinas) portfolio of companies and the current Burger King franchisee in Malaysia.

The government-linked private equity fund management company said on Friday it was undertaking a follow-on investment in its existing portfolio company Rancak Selera Sdn Bhd (BK Malaysia).

As part of the transaction, Burger Kind and Rancak Selera have entered into Master Franchise and Development Agreements to further develop the brand in both Malaysia and Singapore throughout the next 20 years.

"Over the last year, Rancak Selera has proven to be a strong operator with a passion for delivering great-tasting, high-quality food. We are pleased with this new phase in our relationship and believe that they have the capacity to aggressively expand the Burger King brand presence in these two key markets," said Elias Diaz-Sese, president, Burger King Asia Pacific in a statement.

Burger King opened its first restaurant in Malaysia in 1997 and since then, Rancak Selera has grown the brand's presence in the country to 32 outlets.

"We believe that this is a great platform for our company's venture into the fast food business. We are very honored that BKW has agreed to accord us the status of Master Franchisee, which will enable us to serve our customers in Malaysia and Singapore for the next 20 years," he said.

UK-based cruise retail franchise opens first store

Travel franchise firm Cruise Holidays UK has opened its first retail branch as part of a plan to establish the brand on the high street. The first Cruise Holidays UK store opened in Hunstanton in Norfolk last month and run by manager Krystian Tatum. Four more stores are planned this year and a further 10 are due to open in 2013.

The move comes as the company marked its first year of franchising under the brand name by recruiting its 50th home-based franchisee. Originally known as Global Cruising when launched in 2004, the business changed its name after forging a partnership last year with US cruise travel giant Cruise Holidays to become its first UK-based master franchisor.

This prompted the start of an aggressive franchise recruitment campaign and a revamp of the joincruiseholidays.co.uk website to include a 'virtual tour' for anyone considering starting a cruise franchise business.

Managing director Tony Childs said: "We believe Cruise Holidays offers one of the best business opportunities in travel and we have successfully recruited people from both inside and outside of the industry to start a home office or retail franchise.

"We are also developing the opportunity for travel agents to use our platform and introduce a cruise concession. By providing world-class support in training, technology, innovative marketing programmes and commercial agreements we support our franchisees to be successful from day one."

Carrefour franchisee says Middle East profits up

Majid Al Futtaim, Carrefour's Middel Eastern Franchisee, reported a 17-per cent rise in half-year operating profit on Monday as shopping venues in Bahrain and Egypt, dampened by the Arab Spring, saw a rise in action.

MAF's retail division, which includes its Carrefour franchises, made an operating profit of 467 million from sales of 8.9 billion dirhams, which were up 15 per cent year-on-year.

MAF's chief executive Iyad Malas, speaking at the Reuters Retail and Consumer Summit last week, said he expected 2012 revenue growth to be in line with last year when gross revenue rose 10 per cent to 19.6 billion dirhams.

The firm said it was reviewing "strategic opportunities" in Saudi Arabia, Abu Dhabi and Azerbaijan, while new developments in Lebanon and Egypt were moving forward. It also plans to open two more Carrefour hypermarkets by year-end, including its first store in Georgia.

Carlyle Group buys stake in Turkish lingerie chain

Carlyle Group, the US private-equity firm in which Abu Dhabi's Mubadala Development Company owns a 7.5 per cent stake, has acquired a minority stake a Turkish hosiery company, it was announced on Wednesday.

Istanbul-based Penti, a hosiery manufacturer and retailer of women's hosiery, lingerie and swimwear in Turkey, also has 11 outlets in Saudi Arabia, including Dammam, Riyadh and Jeddah.

While the size of the minority stake was not disclosed, financing for this investment came from Carlyle MENA Partners's US$500m fund focused on the Middle East and North Africa. The transaction is due to be closed in early November, the statement said.

Worldwide Penti employs 1,847 people and has 155 stores in Turkey and 39 stores in 16 countries. Last month, Carlyle hit the headlines when it struck two multi-billion dollar deals, including stakes in photo agency US-based Getty Images and China's largest private medical check-up services company.

Spanish retailer Mango opens doors in Lahore

Mango, the famous high-street fashion retailer from Spain opened its doors in Lahore last week, making this its second store in Pakistan. After bringing international brands like Lifestyle, Splash, Baby Shop and spreading their outlets throughout the country, AK Marketing is now planning on making Mango available in every major city of the country. "I am glad to announce the new opening of Mango in Lahore. It is affordable, approachable and trendy," said Mango Pakistan General Manager Zahid Jivanji.

"We are very happy with the response we are getting in Lahore and we are planning to open the third outlet of Mango in Islamabad very soon. Our creative team is also bringing more concepts to Mango, like men's wear (HE by Mango), Mango accessories and Mango footwear (Mango Touch)," said Mango backup teams' member Luis Ancillo.

Founded in 1984, the retail chain now has more than 2,400 stores in 107 countries, including one in Karachi.

Cold Stone Creamery enters Nigerian market

Kahala, Cold Stone Creamery's parent company, signed a 10 year Master Franchise Agreement with Ivybridge Trading Ltd, which will open up nine stores in Nigeria, Africa's most populous country, in the next five years. Ivybridge Trading Ltd is a group made up of three of the strongest companies in Nigeria. Their businesses include retail and residential real estate, industrial production, construction, healthcare, hotels, catering, oil and retail.

"Cold Stone Creamery's ice cream is a custom-made work-of-art that reflects one's personality with its endless choices and combinations made of super-premium ingredients that are always fresh and tasty," said Marwan Dalloul, president of Ivybridge Trading Ltd, in a statement. "At Ivybridge Trading Ltd., we only partner with the best, finest and most unique brands. We are delighted to start providing Nigeria with the 'Ultimate Experience' within the ice cream industry." Cold Stone Creamery will be the first national ice cream chain and the first ice cream concept to provide a customizable serving experience in Nigeria, according to a company release.

"Since Nigeria is the trendsetter within Western Africa, finding a partner in this country was an undeniable next step to continue our growth within the continent," said Dan Beem, Cold Stone Creamery's president of International. "Ivybridge is an extremely well known company in Nigeria and the breadth of knowledge and experience they have in the market is second to none, which makes them the best and most perfect partner for Cold Stone Creamery in Nigeria." The creamery company will be dealing with Eat 'N' Go Restaurant Group, a fast- rising group of restaurants known for its great taste and experience. The first- rate Nigerian QSR (Quick Service Restaurant) player, is set to commission the first two outlets of the global fast food brand on Victoria Island and Lekki, Lagos.

Cold Stone Creamery stores are operating in more than 380 international locations and in 20 different countries including China, South Korea, Canada, Denmark and the United Arab Emirates.

Franchise Plus Magazine:

Franchise Plus magazine is a unified point of access for advertisers to market and expand their business in India. We are committed to provide potential franchise investors the information and advice they need to find their perfect international franchise opportunity in a cost effective way to promote your opportunity to a large readership.

Franchise Plus Web site:

With our newly revamped web site we expect the traffic to increase manifold in the days to come. The domain is already promoted on all search engines, major ones being Google, Yahoo etc.

E-Mailers:

We can send your Electronic Digital Mailer (EDM) to the entire database of Prospective Franchisees & Active Franchisors. The exercise can be done on a regular basis to heighten your brand's recall.

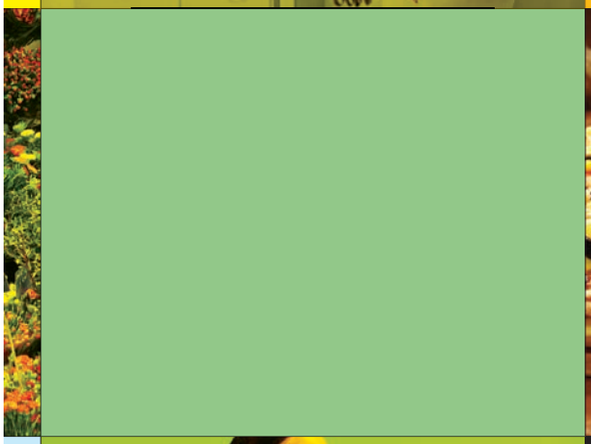
Find the right Business Partner through our 360° solutions

We have several channels for your productive use. Take your pick and reap the benefits.

HOT

10 FRANCHISE

OPPORTUNITIES



From food to flowers to Lingerie, if you have the moolah, we tell you where you could put it and be a franchisee for some smart businesses

Ramarko Sengupta

FAST FOOD FRANCHISEE

Cheese that bubbles your excitement, the aroma of kebabs that can tantalise you and not to forget the gorgeous chocolate brownie that can leave you smiling. If you are passionate about food (and we mean not just eating it) and have always wanted to do something related to food, this is definitely a hot option for you. The market is flooded with franchise options and you're literally spoilt for choice when it comes to taking your pick.

There is a very strong market for food chains and consumers are lapping them up like there is no tomorrow. Globalisation has made such foods fashionable and chic. Also, the fact that many people like to grab a bite on the go without much fuss has helped this sector boom. After all, in today's busy lives, very few can afford the luxury of lavish sit-down meals. Moreover ,the average Indian today has a rather mature and well-travelled palate and is exposed to foods that even about a decade ago many were sceptical of.

The investment into such franchisees is usually in the range of Rs.5-10 lakh, space required is roughly 300-400 sq. feet, but can also be as less 50 sq. feet. The number of people needed to run the front and back-end operations of such an establishment would be around 7-8. The return on investment time frame is usually 12-18 months with an expected 30-40% return on the capital investment.

This segment also includes cafes and ice-cream joints. One of the biggest advantages of this sector is that usually there is a strong brand recall and loyalty towards the brand goes a long way in drawing in the crowds.

Capital required- Rs.5-10 lakhs
Space required- 300-400 sq. feet
No. of people required- 7-8
Return on investment time frame- 12-18 months
Percentage of return expected- 30-40%

PRE-SCHOOL EDUCATION CENTRES

Pre-school education for children has almost become a must with parents over the last decade. It is, without a doubt, one the hottest franchise ideas. Pre-school education is a booming industry, especially with both parents at work these days. Most working couples prefer to send their children to pre-schools for grooming and overall development. Also, the fact that school admission has become tougher than ever before and kids have to prepare to take on competition at such an early age pushes parents to send their little ones to the professionals. Pre-schools get children used to the habit of attending school and staying in a classroom environment. Most of the curriculum that pre-schools follow is based on fun-learning, ensuring a child's mental as well as physical development.

So, if you love children, enjoy being around them, and are also looking at a franchise opportunity, what better than to start such a venture?

A pre-school education centre usually requires a capital investment in the range of Rs.5-10 lakh. Space required for setting up a pre-school is 1,500-2,500 sq. feet. Return on investment time frame is about 18-24 months and the percentage of return is usually 25-35%. The number of people required to run a pre-school ranges between 1015.

Capital required- Rs.5-10 lakhs
Space required- 1,500-2,500 sq. feet
No. of people required- 10-15
Return on investment time frame- 18-24 months
Percentage of return expected- 30-40%

WELLNESS AND HEALTH CARE CENTRE

People were probably never as conscious about their fitness and health as they are today. Wanting to look and feel good is no longer considered vain. Gone are the days when only women were conscious of the way they looked and took their grooming, skin care, hair care seriously. Men these days are as conscious of their appearance as the fairer sex, if not more.

This has resulted in a strong demand for health and wellness centres, which covers the whole gamut of beauty, fitness and health.

In today's lifestyle, it is extremely important to take care of one's overall health and make a conscious effort to work towards it. So, if you are interested in fitness and grooming, this is the sector you should be looking at for a franchise business opportunity.

Typically, the investment in such a business can range from Rs.1-5 lakhs. Return on investment time frame is usually 6 months with 25% return expected on the capital investment. You would require an area anywhere from500- 1,500 sq. feet depending on the exact nature of business. The number of people required to run a wellness centre would be 5-10.

Capital required- Rs.1-5 lakhs
Space required- 500-1,500 sq. feet
No. of people required- 5-10
Return on investment time frame- 6 months
Percentage of return expected- 25%

LINGERIE/ UNDER GARMENTS STORE

Not only are today's men and women conscious about the clothes they wear, but they are also extremely finicky about what's underneath; their undergarments. Whether it's comfort, style or both, everyone these days really cares about their inner wear more than they may want to admit.

Interestingly and even funnily, it's a bit of a status symbol and a feel good factor to wear branded undergarments. Of course, with good brands comes quality, but they also make a fashion statement. So what if most people don't get to see it? It is a fashion statement of a personal, private and intimate kind.

So, as long as you're not shy or awkward in telling people that you own an undergarments business, this isa franchise option worth considering. There is definitely a good market for it and it's not just restricted to the upper class. The innerwear business has also successfully penetrated the middle class.

The investment required is again in the range ofRs.5-10 lakhs. The area required is 100-600 sq. feet. Expected return on investment time frame is 12-24 months and the percentage of returns is likely to be in the range of 30-40%. The number of people required to run the business would be 3-7.

Capital required- Rs.5-10 lakhs
Space required- 100-600 sq. feet
No. of people required- 3-7
Return on investment time frame- 12-24 months
Percentage of return expected- 30-40%

SPA FRANCHISE

We all love a bit of luxury and pampering every now and then. More so, given the high-stress environment that we currently live in, people are feeling the need to go for de-stressing and relaxing sessions more than ever. Such joys of life are no more exclusively confined to the rich and the famous, but the middle class too is availing of such services.

Gifting spa session coupons has become quite afad, be it somebody's birthday, anniversary or a loved one just in need of some relaxation and cheering up; it's the perfect gift for any occasion.

An hour or two spent at the spa can relieve one of all stress and anxiety and can rejuvenate an individual making him feel like a brand new person with renewedvigour and vitality.

The popularity of such centres is increasing by the day, and the fact that this form of business has penetrated the middle classes means the market is that much bigger and expanding every day.

The capital investment for such a venture would be in the range of Rs.5-10 lakhs with return on investment time frame of 12 months. The expected percentage of return on investment in this business is quite high ranging between 100-300%. The number of people required to run the business would be 5-10. The space required for the establishment would be 500-1,000 sq. feet.

Capital required- Rs.5-10 lakhs
Space required- 500-1,000 sq. feet
No. of people required- 5-10
Return on investment time frame- 12 months
Percentage of return expected- 100-300%

TRAVEL AND TOUR AGENCY

There is a bit of wanderlust in each one of us and everybody likes to take off on a holiday once in a while. Holidays apart, travel is an intrinsic part of most people's jobs and businesses. Owing to busy work schedules and personal commitments, most people prefer to leave their travel or vacation plans in to a professional's expert hands.

If you are interested in travel and visiting new places, this is definitely a good business idea for you. You will find yourself mixing business with pleasure as you may at times be required to accompany your tour parties their trips. Not to mention, you'll find several schemes and discounts coming your way to help you take off on a personal trip every once in a while.

For this sort of business, you would be looking at an investment of Rs.2-5 lakhs with a 30% return on your investment. The return on investment time period is seen at 11-12 months. You will need around 2-3 people to run the business. The area required would be around 500 sq. feet.

Capital required- Rs.2-5 lakhs
Space required- 500 sq. feet
No. of people required-2-3
Return on investment time frame- 11-12 months
Percentage of return expected- 30%

SPORTS GOODS /GEAR/ EQUIPMENT FRANCHISE

pio3 / Shutterstock.com

It is no news that India is a sports crazy nation where sportsmen are literally worshipped. So, it's not at all strange that most parents encourage their children to take up sports in some form or the other, if not to bloom into professional athletes, at least for the all-round development of the child. More often than not, it's the children themselves who are more than keen to try their hand at various sports. And why just children? Their scheduled permitting, even adults and grown-ups love to playa game every now and then. Not only is it good for fitness, but playing sports also helps in de-stressing and unwinding.

So, these reasons open up a big market for sports equipment, gear and goods. In addition to individual consumers, you may also have schools, colleges, clubs and even offices as clients.

If you're a sports buff yourself, this can indeed be a fulfilling business opportunity.

For this nature of business, you would be looking at an investment of Rs.10-20 lakhs with a return on investment time frame of 12-16 months. The expected return on investment is 30-40%. The number of people required to run the business is 2-3 and you would need an area of 1,000 sq. feet for setting up your shop.

Capital required- Rs.10-15 lakhs
Space required- 1,000 sq. feet
No. of people required- 2-3
Return on investment time frame- 12-16 months
Percentage of return expected- 30-40%

ANIMATION TRAINING CENTRE

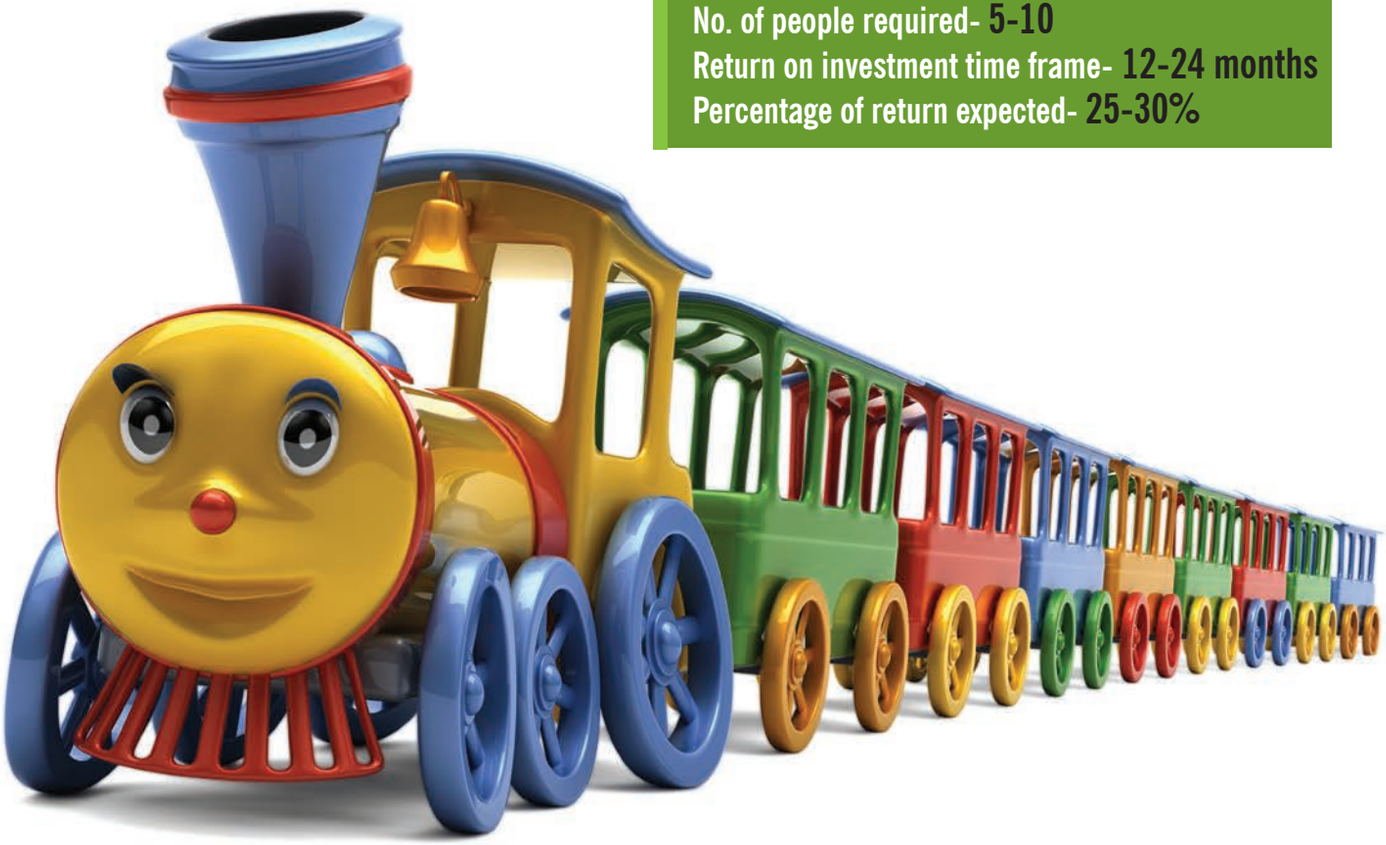
In the last decade, animation has really caught the imagination of young and old alike. It's a great career opportunity and many youngsters are opting for animation training as it offers exciting job prospects. From a franchise point of view, it is indeed a great opportunity as education is one sector that's literally recession-free. The volatile stock markets and global macro-economic cues hardly have an impact on the business of education; it is in many ways insulated from global and local market sentiments.

There is, without a doubt, a huge demand for visual effects artists, animators and graphic designers. Even in an otherwise dull job market, there are always openings for people with these skills.

So, if have an interest in the subject and want to do something in the domain of education and training, this is definitely a good place to put your money in.

The investment required would be in the range of Rs.10-15 lakhs with likely return on investment time frame between 12-24 months. The percentage of return on investment is seen between 25-30%. The space requirement would be in the range of 1,200-1,500 sq. feet and the number of people required to run the business would be 5-10.

Capital required-Rs.10-15 lakhs
Space required- 1,200-1,500 sq. feet
No. of people required- 5-10
Return on investment time frame- 12-24 months
Percentage of return expected- 25-30%



FLORIST SHOP

Is there anyone who doesn't like receiving flowers? Even if such people exist, their numbers must be miniscule. Flowers are for every occasion and in demand throughout the year. Be it birthdays, anniversaries, dinner parties; when confused what tobringalong as a gift, flowers always save the day.

Flowers delivered to your doorstep, occasion or no occasion, are bound to brighten up your day.

Weddings, banquets, social functions, you name it and flowers make for an integral part of the décor.

So, there is indeed a vast market to cater to and if you find yourself interested in this form of business, taking up a florist franchise can be a good idea.

The investment required would be in the range of Rs.5-10 lakhs, with return on investment time frame of 9-12 months. Return on investment is seen in the range of 30-50%. The number of people required to run a florist shop would be 2-3.

Capital required-Rs.5-10 lakhs
Space required- 300-500 sq. feet
No. of people required- 2-3
Return on investment time frame-9-12 months
Percentage of return expected- 30-50%

JUICE BAR

India is a country that experiences sweltering heat through most of the year leading to people falling ill or feeling lethargic and sapped of energy as their body loses liquids fast in the form of sweat at high temperatures. Fruit and vegetable juices are one way of hydrating yourself, but they have other health benefits as well. Summer or no summer, today's health conscious folks love their juices at any time of the day or year. Juices are a healthier option to aerated drinks and other soft drinks packed with artificial flavours and useless ingredients.

The young and old alike are chucking aerated drinks for fresh juices, as being healthy and fit is no longer about just good health and healthy living. It is, in fact, quite the fad these days. It's fashionable to be healthy and fit and to consume natural, healthy products.

So, if this sort of a venture appeals to you, why not invest your money in it? There is clearly a good and ever expanding market for it.

For such a business, you would have to pump in an investment ofRs.5-10 lakhs. The return on investment time frame is likely to be 6-12 months with 50-60% returns. The area required would be 50-200 sq. feet and you would need around 2 people to run the show.

Capital required-Rs.5-10 lakhs
Space required- 50-200 sq. feet
No. of people required- 2
Return on investment time frame-6-12 months
Percentage of return expected- 50-60%

EAST FOCUS

How long can global food giants resist the sweet slice of the eastern India pie?

The eastern part of the country is a largely ignored market especially by the international retail chains. East India is usually the last to get a taste and feel of big foreign brands. It has been a historical trend, which has started to change albeit slowly. While big international fashion labels have started warming up to the East after staying away for long and instead preferring to concentrate and expand their businesses in the other parts of the country; the food giants are still treading very cautiously and can't exactly be said to be 'bullish' on the region, yet.

This is quite the trend cutting across different sectors else one can think of. But the foods business has been giving the eastern market the royal snub for as long as one can remember. Big retailers, national and international alike

While big international fashion labels have started warming up to the East after staying away for long and instead preferring to concentrate and expand their businesses in the other parts of the country

prefer to concentrate on the northern, western and the southern markets before turning their attention eastwards.

If one were to look at the foods business, global giants like KFC, McDonald's, Subway, Pizza Hut etc. entered the eastern market much later after setting up shops elsewhere in the country.

Typically the eastern region may have been weak as far as consumption is concerned from the retailers' perspective, but that trend has seen a sea change in the last five to six years. Not only has the disposable income of the people of the region increased, but the number of people with exposure to international brands has increased manifold. This is owing to a number of reasons- 'the global village phenomenon' where one is exposed to global trends and fads thanks to the internet and television era; the mobile population of the region too has seen an increase due to growth in the IT and services sector employment opportunities. The consumers of the region are an evolving lot with high aspirations and an increased spending power.

The eastern consumer is also experimental and open to new things more than ever before. Gone are the days when in the mid '90s fast-food chain Wimpy's had to wind up operations in Kolkata. After operating for just about a couple of years, the restaurant had to shut shop owing to unsustainability.

Today is a stark contrast to the yesteryears. Picture this- Kolkata is the best performing market for KFC, walk into any KFC outlet in the City of Joy and you'd witness serpentine queues of people waiting eagerly for their tub of fried chicken. Encouraged by the response, the company plans to expand their business significantly in the city. Mumbai and Delhi easily have double the number of outlets currently compared to Kolkata.

Here's a look at international food chains which have entered the country but are yet to foray into the eastern market. Going by current trends, the eastern market could provide a robust market for these big boys.

The American Donut giant has been brought to India by Jubilant FoodWorks, the company which brought Domino's to the country as well. Jubilant is the master franchisee for the company in India. The people of the east are known for their love of all things sweet. This brand is sure to be a hit when it does

march into the eastern part of the country with their sugary goodness. Dunkin' Donuts has more than 10,000 outlets in 32 countries. In the next five years the company plans to open 80-100 outlets in India. Dunkin' Donuts presently has outlets in Delhi.

TACO BELL

The Mexican fast food joint has been brought to India by Yum! Restaurants, the company that operates KFC and Pizza Hut. Mexican food is fast catching up in the eastern region through the limited options the region provides; though none of them are international chains. One of the reasons for its popularity is that it is tailor-made for the Indian palate- spicy and with bags of flavour. The company plans to open 100 outlets in the country by 2015. It has 5,600 outlets in the United States serving Mexican foods such as burritos, tacos and quesadillas. Taco Bell currently has outlets in the electronic city of Bangalore.

HAAGEN-DAZS

The eastern market is deprived of international brands when it comes to choices in picking their ice-cream. Other than Baskin Robbins and one lonely outlet of Movenpick in Kolkata, it has nothing to offer. The east Indians don't mind spending an extra buck or two or even splurging on good food and good brands. Haagen-Dazs is known the world over and revered for their taste and quality of ice-cream. When the brand does come to the east, the people are sure to lap it up. Haagen-Dazs has more than 900 outlets in 50 countries. The brand is run by US-based General Mills' Indian subsidiary in the country. Haagen-Dazs has outlets in the national capital region, Mumbai and Bangalore.

Some other brands that have entered the Indian market but are yet to tap the east are California Pizza Kitchen, Papa John's and California Burrito. According to a Nielson report, modern trade adoption in Kolkata, the nerve centre of the eastern market, has grown 21% in the last year. Retailers in Kolkata say the share of modern trade in FMCG or fast moving consumer goods sales in Kolkata is 12.5% compared to the national average of 9.2%. Surely these global giants will not be able to resist a sweet slice of the eastern pie for much longer.

feedback@franchise-plus.com

TonyV3112 / Shutterstock.com

EAST FOCUS

How long can global food giants resist the sweet slice of the eastern India pie?

The eastern part of the country is a largely ignored market especially by the international retail chains. East India is usually the last to get a taste and feel of big foreign brands. It has been a historical trend, which has started to change albeit slowly. While big international fashion labels have started warming up to the East after staying away for long and instead preferring to concentrate and expand their businesses in the other parts of the country; the food giants are still treading very cautiously and can't exactly be said to be 'bullish' on the region, yet.

This is quite the trend cutting across different sectors else one can think of. But the foods business has been giving the eastern market the royal snub for as long as one can remember. Big retailers, national and international alike

While big international fashion labels have started warming up to the East after staying away for long and instead preferring to concentrate and expand their businesses in the other parts of the country

prefer to concentrate on the northern, western and the southern markets before turning their attention eastwards.

If one were to look at the foods business, global giants like KFC, McDonald's, Subway, Pizza Hut etc. entered the eastern market much later after setting up shops elsewhere in the country.

Typically the eastern region may have been weak as far as consumption is concerned from the retailers' perspective, but that trend has seen a sea change in the last five to six years. Not only has the disposable income of the people of the region increased, but the number of people with exposure to international brands has increased manifold. This is owing to a number of reasons- 'the global village phenomenon' where one is exposed to global trends and fads thanks to the internet and television era; the mobile population of the region too has seen an increase due to growth in the IT and services sector employment opportunities. The consumers of the region are an evolving lot with high aspirations and an increased spending power.

The eastern consumer is also experimental and open to new things more than ever before. Gone are the days when in the mid '90s fast-food chain Wimpy's had to wind up operations in Kolkata. After operating for just about a couple of years, the restaurant had to shut shop owing to unsustainability.

Today is a stark contrast to the yesteryears. Picture this- Kolkata is the best performing market for KFC, walk into any KFC outlet in the City of Joy and you'd witness serpentine queues of people waiting eagerly for their tub of fried chicken. Encouraged by the response, the company plans to expand their business significantly in the city. Mumbai and Delhi easily have double the number of outlets currently compared to Kolkata.

Here's a look at international food chains which have entered the country but are yet to foray into the eastern market. Going by current trends, the eastern market could provide a robust market for these big boys.

The American Donut giant has been brought to India by Jubilant FoodWorks, the company which brought Domino's to the country as well. Jubilant is the master franchisee for the company in India. The people of the east are known for their love of all things sweet. This brand is sure to be a hit when it does

march into the eastern part of the country with their sugary goodness. Dunkin' Donuts has more than 10,000 outlets in 32 countries. In the next five years the company plans to open 80-100 outlets in India. Dunkin' Donuts presently has outlets in Delhi.

TACO BELL

The Mexican fast food joint has been brought to India by Yum! Restaurants, the company that operates KFC and Pizza Hut. Mexican food is fast catching up in the eastern region through the limited options the region provides; though none of them are international chains. One of the reasons for its popularity is that it is tailor-made for the Indian palate- spicy and with bags of flavour. The company plans to open 100 outlets in the country by 2015. It has 5,600 outlets in the United States serving Mexican foods such as burritos, tacos and quesadillas. Taco Bell currently has outlets in the electronic city of Bangalore.

HAAGEN-DAZS

The eastern market is deprived of international brands when it comes to choices in picking their ice-cream. Other than Baskin Robbins and one lonely outlet of Movenpick in Kolkata, it has nothing to offer. The east Indians don't mind spending an extra buck or two or even splurging on good food and good brands. Haagen-Dazs is known the world over and revered for their taste and quality of ice-cream. When the brand does come to the east, the people are sure to lap it up. Haagen-Dazs has more than 900 outlets in 50 countries. The brand is run by US-based General Mills' Indian subsidiary in the country. Haagen-Dazs has outlets in the national capital region, Mumbai and Bangalore.

Some other brands that have entered the Indian market but are yet to tap the east are California Pizza Kitchen, Papa John's and California Burrito. According to a Nielson report, modern trade adoption in Kolkata, the nerve centre of the eastern market, has grown 21% in the last year. Retailers in Kolkata say the share of modern trade in FMCG or fast moving consumer goods sales in Kolkata is 12.5% compared to the national average of 9.2%. Surely these global giants will not be able to resist a sweet slice of the eastern pie for much longer.

feedback@franchise-plus.com

TonyV3112 / Shutterstock.com

Your Regular Business Opportunity Bulletin

Subscribe to India's Leading Business Opportunity Magazine

Franchise Plus takes a closer look at the expanding sphere of Franchising, Retailing, Distribution, Licensing and Retail Real estate. It also highlights profitable business opportunities; spots, analyse and reports trends; conduct industry surveys; records lessons of business failures and excellence, and captures the profits of the big-wigs and the rising stars in the franchise domain.

www.franchise-plus.com/subscription.asp

Yes, I would like to subscribe to Franchise Plus

Term	No. of Issue	News Stand Price	What You Pay
3 Year Subscription	18	₹ 810	₹ 575
2 Year Subscription	12	₹ 540	₹ 410
1 Year Subscription	6	₹ 270	₹ 215

I will pay through: ☐ Demand Draft ☐ Cash

No._____ Bank drawn_____ Dated_____

My Personal Details:_____

Name:_____

Address: ☐ Home ☐ Office_____

City:_____ E-mail_____

Mobile no.:_____ Phone no. Home/Office:_____

www.franchise-plus.com
Franchise PLUS
INDIA'S LEADING BUSINESS OPPORTUNITY PUBLICATION

DD to be drawn in favour of **'Mediasset Holdings'**
B-20, Sector 57, Noida - 201301
Tel: +91 1204 007700

(Signature)

Terms & Conditions:
Rates and offer are valid in India only, Please allow 3-4 weeks time for the delivery of magazine through courier / registered post. Indicate your name and address on the reverse side of the DD. Offers valid for a limited period. Publisher will not be responsible for delay or non-delivery of the magazine. For subscription related queries please contact : 1204007700 (in Noida), 022 - 23643303/3309/3314/3316/3319 (in Mumbai), or email us at subscribe@exchange4media.com

DON'T MAKE THESE MISTAKES

There are dreadful zones in every business. We list some big mistakes that a franchisee must stay away from

Ramarko Sengupta

Most of us have entrepreneurial aspirations. To be our own boss and not to have to answer to anybody; isn't that what 'living the dream' is all about, at least for most of us?

One of the many options when it comes to starting your own business is to take up a franchisee of an established brand. And the best part is that most franchisors do not require you to have any specific qualifications or skill-sets.

Now, on the face of it, it may seem like a simple enough deal. But is running a franchisee really a cake walk?

Well, it's not! For starters, there is absolutely no substitute to hard work. The more work you put in, the more benefits you reap.

All the hard work aside, there are things you need to be careful about while taking up a franchisee or running one.

1 DO NOT UNDERESTIMATE THE IMPORTANCE OF DUE DILIGENCE

A franchisor will promise you the moon and more often than not it will sound too good to be true. Don't get blinded by such promises and start day-dreaming. The importance of due diligence can't be over-emphasised. Be thorough with your research and investigation. Speak to other franchisees and other businesses in a similar space to get a sense of the pros and cons. Figure out who the competition is, speak to them, and then do a comparative analysis.

2 IF THE NATURE OF BUSINESS DOESN'T INTEREST YOU, JUNK IT

Do not just take up a franchisee because it seems to make business sense. It is important to be passionate about your business; else it will start declining eventually. You will begin losing interest fast and before you know it; your business will go downhill. If you think the nature of business is something that does not interest you, it's best to steer clear.

3 DON'T EXPECT THE FRANCHISOR TO BAIL YOU OUT OF EVERY SITUATION

Many people look at their franchisor as a guardian angel. While there's nothing wrong with that, you cannot expect the franchisor to bail you out of difficult situations you may face while running your business. You have to work independently and cannot expect hand-holding every step of the way. The franchisor may seem like a parent, but it's the parent of an independent adult. It can guide you and give you advice, but at the end of the day you have to fend for yourself.

4 SIGN THE CONTRACT ONLY AFTER YOU'RE FULLY CONVINCED

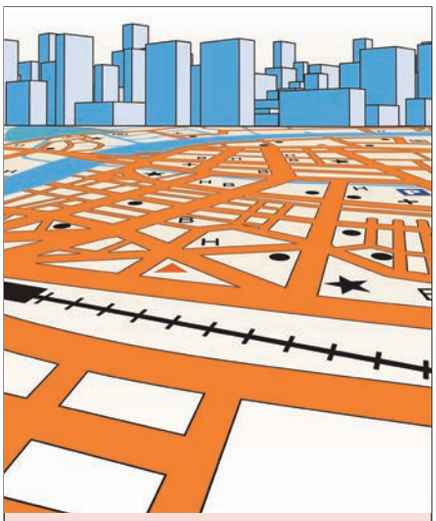
Take all the time you need to sign on the dotted line before taking up a franchisee. If the franchisor is rushing you, don't give in. Do not believe the franchisor blindly and sign only after you are absolutely sure that you can successfully run the business and turn it around.

5 BE CLEAR OF EACH OTHER'S ROLES AND RESPONSIBILITIES

Many a time, misunderstandings arise out of not being clear about each other's roles and responsibilities in running a brand. There are times when a franchisee just takes certain things for granted from the franchisor without clarifying it first. So, be clear in your communication with the franchisor and make sure there are no grey areas when it comes to understanding each other's roles.

6 TAKE A KEEN INTEREST IN FAILED FRANCHISEES

More than successful franchisees, take active interest in the failed ones and try to get to the root of why they didn't work. Track down the people who owned them and don't just go by the franchisor's account of what might have transpired that led to their downfall. Of course, do speak to the successful franchisees as well in detail and try and understand what made them click.

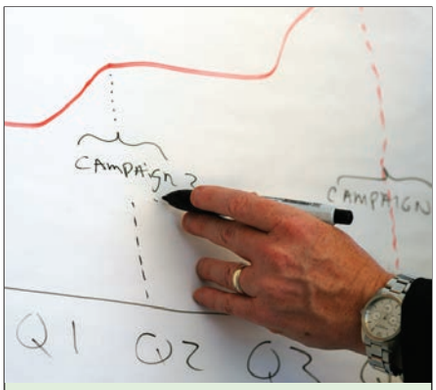


7 CHOOSE YOUR LOCATION CAREFULLY

Most of the time, location can be a deal-breaker or a winner when it comes to running a successful franchisee. Conduct a survey and find out if there are enough takers for your kind of business in the area. Also, work out the distance from your establishment to similar businesses. Delve into whether you can take on the competition in the area and think about a unique selling proposition or USP that could tilt the balance in your favour.

8 NEVER UNDERESTIMATE THE NEED FOR WORKING CAPITAL

Running a business requires working capital. Thinking that you're sorted after making the initial investment is the worst mistake you can make. So, do the math and see if you have enough working capital to sustain the business. More importantly, you need to work out how much working capital would be required for the nature of your business.



9 TAKE INTO ACCOUNT ADVERTISING AND MARKETING EXPENSES

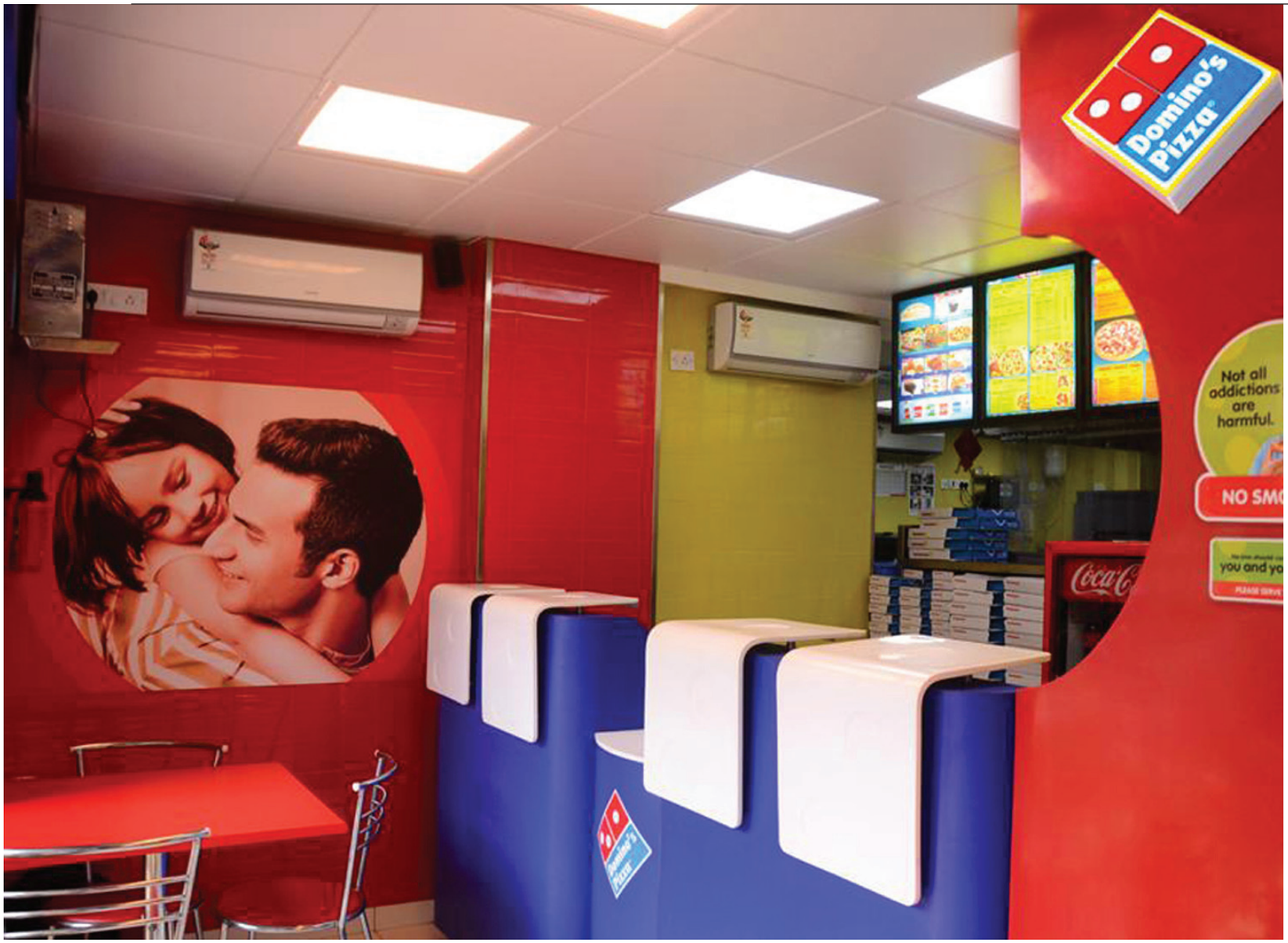
Never underestimate advertising and marketing expenses. Yes, to an extent the franchisor will take care of that. But that does not mean you will not have to undertake marketing and advertising exercises by yourself. At the end of the day, it is your business and you have to promote it and sell your brand to the consumer. Do an assessment of how much cost this will involve. Advertising and marketing is an on-going endeavour. No matter how much you establish your franchisee, you can never be complacent and rest on your laurels. Constant innovation is the key to success in today's cut-throat environment.

10 SEEK ACCOUNTANT'S HELP AND LEGAL ADVICE

Know that pushing the hiring of a lawyer and accountant to after you've established your business can prove to be a costly mistake. One of the first things, even while contemplating taking up a franchisee, is to take an accountant's help and seek legal advice to understand the entry and exit clauses.

11 AN ESTABLISHED BRAND DOES NOT NECESSARILY ASSURE SUCCESS FOR A FRANCHISEE

Many people make the mistake of thinking that a successful brand or franchisor will make for a successful franchisee and try to select their business accordingly. That is the worst sort of assumption possible. Just because a franchisor is a successful and established brand and has many franchisees does not in any way guarantee your success. FP



AS THE BOND GROWS

From answering the 'hungry kya?' question many times to '30 mins nahin to free' to 'Khushiyon Ki Home Delivery' to 'Yeh Hai Rishton Ka Time', Domino's Pizza seem to be betting big on the emotional connect with the Indian consumers.

Prachi Raturi Misra

I thought I was imagining it all along. Through the single working woman days in Delhi when a promotion or birthday party often called for a pizza treat (it was late 90s and Pizzas were super cool), to the newly moved and married days in Mumbai when the weekend meant simply chilling out, to the farewell gossip days in Mumbai and Hyderabad, Pizzas, have had a special place in my life. But after I saw the latest promo, 'Ye hai rishton ka time' of Domino's on television, I realised I wasn't the only one with an emotional connect with the Pizza brand.

It's this bond that many have with Domino's that the new television commercial (TVC) is celebrating. From friends waking up their sleeping buddy in a dark hostel room to cut an already cut Pizza with a candle in the middle, to a brother in law's non-veg jokes while the family shares a Pizza to a hostel going boy smiling at the sight of sharing a Domino's pizza and spending some more time with his parent's Domino's, like Harneet Singh, Vice President of Jubilant FoodWorks Ltd. puts it, "has hit the nail on its head."

Ask him about the evolution of the brand and he explains, "From 'hungry kya' to 'khushiyon ki home delivery' and the current position which just rolled out which is 'ye hai rishton ka time' is basically an evolution of our journey. The objective of the brand is to be more and more emotionally connected to the consumers and we believe that the role we play in consumers' life is what helps us to connect to the consumers. So when a pizza enters a consumer's life, you know it actually gives the answers by the format of the product which is consumed in a very informal environment. You eat from a box, you share a slice, so it's about people coming together, eating in groups. Also the time you spend together while consuming the food is a time you know that helps to bring a change in the relationship.

Depending on the context , occasion , on the type of people you are with whether it's with your friends, your family, your girlfriend, your spouse or your children, that time of sharing that meal brings in something extra to that relationship."

And no one at Jubilant Food Works Limited (JFL) seems to be worried about the fact that Pizzas in their new TVC are in the background. The numbers are strongly on their side. The Net profit (after tax) of Q4, FY12 stood at Rs 293 million, up by 52 per cent. Of the aapproximately 1500 crores Pizza market according to estimates last year, the company is the market leader in the organized pizza market with a 55% market share and 70%+ share in the Pizza home delivery segment in India. Like Singh puts it unabashedly, "We almost have an authority in a pizza category. When it comes to pizza, the first thing that comes in consumers mind is Dominos. So we are absolutely confident about what our position is, which is strongly backed by the product that

we offer, the value that we offer and the service that we offer. So consumers, actually at a functional level, know that is delivered to them. We believe that when people are together with their loved ones, what they do is much more important. While the environment gets created because of the pizza, but it's the relationship, the time that is more important. We are acknowledging the fact that while we service you, we are there during your celebrations, occasion, your moment is very important. I think we can take that stand confidently enough and still keep that position."

Going by their track record, Singh seems to know what he is saying. Incorporated in 1995, JFL (a part of Jubilant Bhartia group) is India's largest food service company, with a network of 500 Domino's Pizza stores across 110 cities. JFL & its subsidiary operate Domino's Pizza brand with the exclusive rights for India, Sri Lanka, Bangladesh and Nepal. The Company also has exclusive rights for developing Dunkin' Donuts brand and operating restaurants for India and currently has launched 3 Dunkin' Donuts restaurants in India (as of 30th June, 2012).

What is interesting is to take a journey back to the early days of Domino's in India when they opened their first store in Greater Kailash - I in the year 1996. The first task, they had at hand, recalls Singh, was to actually educate consumers as to what they were, especially because organised pizza as a category was not existent. People did consume Pizzas occasionally back then from various stores but they were not the freshly baked variety. "First we had to educate people about our brand. We needed to make them aware about the ingredients of a Domino's pizza. Now while a Domino's pizza includes all the things from the staple diet of Indians, like wheat, tomatoes etc. it is presented in different shape and taste to the people. The product was interestingly readily acceptable by the people. Then of course we worked on some toppings,

I guess a lot of people thought that we will not be able to deliver but we did. They liked the convenience and they were hooked

making our Pizzas tastier and aligning them to the Indian taste buds."

One also remembers tasting toppings called pindi chana, palak, chicken tikka and chicken chettinad in this phase at a media launch sometime in the early 2000. Chicken Tikka, like we all know, survived and the other's didn't. What surely survived and kept growing steadily was this love of Indians for the brand.

To gain ready acceptance from the consumer, Domino's began their "Hungry kya" campaign. The main thing, they wanted, says Singh, was that people should taste their pizzas and acknowledge the product and the taste they offer. "", he says. In 2003 they realised that people had started consuming their pizzas. But it was also the time they realized they had a competitor to eat into their Pizza pie. And that is when they decided to bring in Domino's global DNA of home delivery. Dominos globally is known for home delivery. This time around, their campaign was built around spreading awareness about their home delivery, a concept still not big even in cities. Recalling the popular 30 minute or free campaign, Singh says,

"The idea was basically to prod people to try the convenience of free home delivery. People started ordering just to try whether we keep our promise or not."

Domino's of course smartly and scientifically measured the time it takes to get an order ready and deliver it. "We still had an extra five minutes in hand when we announced 30 minutes" he smiles. But the offer sounded exciting enough for lots of people to take the bait. "I guess a lot of people thought that we will not be able to deliver but we did. They liked the convenience and they were hooked."

The brand stuck with the position of "Hungry Kya" as delivery was one of their added benefits. Then in 2008 they realized that by now people knew them for their pizzas and their expertise in home delivery, so we decided to move forward. Singh says, "We got to know from the consumers that pizzas make the setting happy when they are with their friends or family, it makes the mood light. So happiness home delivered was our positioning which helped us to connect emotionally with the consumers. From 2008 to 2012 we launched "khushiyon ki delivery" and every year we launch different products under this 'khushiyon ki delivery" umbrella.'

The Indian consumer has evolved steadily over the years in terms of taste and knowledge, thanks to all the travelling and exposure. This is why even a neighbourhood restaurant has a pizza or pasta on their menu. We are not talking of the authenticity but the fact that it's on the menu speak volumes about the popularity of the food over the years.

That, of course, is just one side of the story. Times have gotten tougher, stress levels are higher, work hours are extended and family hours and outings shorter and less frequent. That is probably the reason why if you notice, most advertisers have been trying to do an emotional connect with consumers. Right from Max Life Insurance to, Pears to Fortune cooking oil, to Cadbury's – emotions are run-

ning high. Domino's certainly didn't want to miss the brandwagon.

Singh explains, "What happens is that over a period of time the consumers evolve, the way they look at the world evolves. As the economy is growing, there is lot of development and change in attitude of people. We have seen our growth and increment in frequency of consumption. So we keep changing things and we also wanted to engage more with the people and try to understand the deeper role they play. We realized pizzas create a happy environment, and we realized it helps in stronger, warmer, effervescent and happier relationships. That is how we decided to on our new campaign."

"We have 15,000 employees working in these 500 stores and all are working under JFL. We have two franchisee stores one is at Delhi airport and another is at Mumbai airport but that is because of government regulations"

While the usual four-product launches a year target, the biggie is now certainly the new positioning. Domino's has already started social connection on social media platforms – Twitter and Facebook. Outdoor campaigns, a new look of their pizza boxes, the carry bags, interiors of the stores, leaflets, door handles, e-mailers are all set to align with the new positioning.

A lot of things you realise have changed at Domino's. What hasn't changed is their quality and service, a big deal of credit, which probably goes to the simple fact that JFL is the master franchisee for Dominos in India, Bangladesh, Sri Lanka and Nepal and all of them are owned by it. "We have 500 stores across 110 cities in India. We will continue to open more store. We had announced 90 more stores at the beginning of the year but revised that figure to 100 new Domino's stores in this year. We will also enter new cities. As far as franchising is concerned it is not a part of our model and we own all the stores. JFL owns and runs all stores. We have 15,000 employees working in these 500 stores and all are working under JFL. We have two franchisee stores one is at Delhi airport and another is at Mumbai airport but that is because of government regulations."

The only people they look at for association, says Singh, are people who have their own space or property. But here again, JFL calls the shots and instead of fixed rentals they offer them revenue sharing scheme.

Ask him what makes them stick to this model and pat comes the reply. "We believe that we want to give the best to our consumer and since we are so sharp with our plans. If we go for franchisees, there could be a dilution of the services and taste which we want to offer. And we don't want to hamper that quality by franchising Domino's. In terms of products we follow the global standards and we don't want to let go that strength in the Indian marker. Also we don't have any dearth of capital. We have enough accruals to fund our own growth, so we don't feel need to expand it through franchising."

That said he is very positive about the growth of franchise market in India. "The organized food service marker is highly unorganised. Only 2% market is organised. So the food market needs much organized workforce. I think whether it is franchisee or your own business, scope is high. Depending on how you execute, there is lot of scope in franchisees as well."

"We have opened one more brand of Dunkin Doughnuts under Jubilant. There should be passion to serve the consumers," he says."

feedback@franchise-plus.com

Where India Looks For PROPERTY

Yes, I would like to subscribe to **Realty Plus**

Term	No. of Issue	News Stand Price	What You Pay
2 Year Subscription	24	₹1080	₹972
1 Year Subscription	12	₹540	₹485

I will pay through: ☐ Demand Draft ☐ Cash

No._____ Bank drawn_____ Dated_____

My Personal Details: _____

Name: _____

Address: ☐ Home ☐ Office _____

City: _____ E-mail: _____

Mobile no.: _____ Phone no. Home/Office: _____

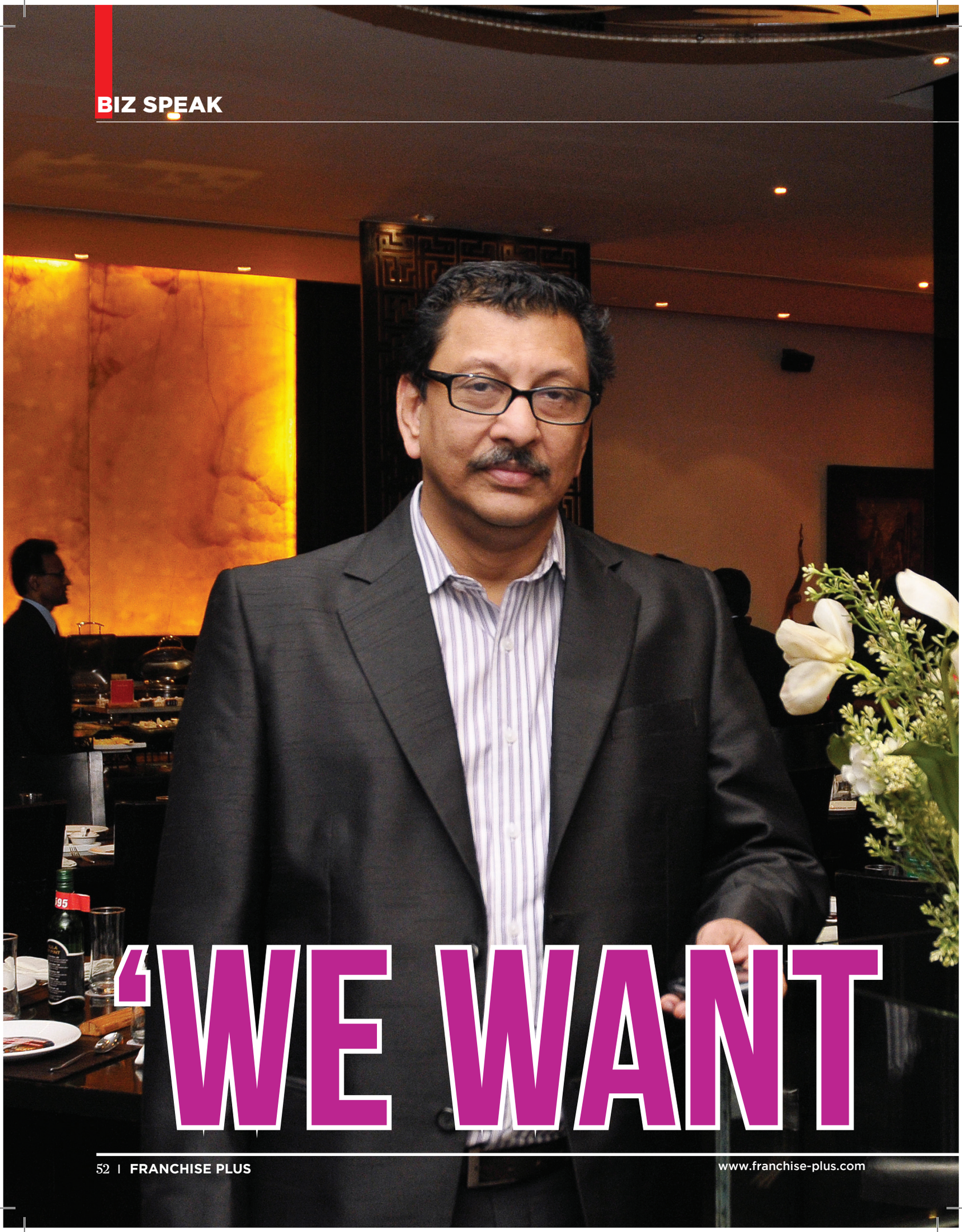
(Signature)

www.realtyplusmag.com
realty PLUS

DD to be drawn in favour of '**Mediasset Holdings**'
B-20, Sector-57, Noida 201301
Tel: +91 120 4007700

Terms & Conditions

Rates and offer are valid in India only, Please allow 3-4 weeks time for the delivery of magazine through courier/registered post. Indicate your name and address on the reverse side of the DD. Offers valid for a limited period. Publisher will not be responsible for delay or non-delivery of the magazine. For subscription related queries please contact: 0120-40007700, 022-23643303/3309/3314/3316/3319 (in Mumbai) or email us at subscribe@exchange4media.com. Inclusive of one Anniversary Issue at Rs. 100/-



'WE WANT

Eighteen years, 92 food and beverage outlets, and a team of 3,000 people later, Speciality Restaurants came out with its first initial public offering (IPO) this May. With popular fine dining brands such as Mainland China, Oh! Calcutta, Sigree, Haka, Machaan, Just Biryani and Sweet Bengal, Speciality Restaurants is in it for the long haul. The company raised more than Rs 26 crore through the issue of shares to its anchor investors such as HSBC India Alpha (Mauritius) Ltd, Reliance Equity Opportunities Fund, SBI Magnum Global Fund and Morgan Stanley.

Indraneil Palit, chief operating officer, says the company has a significant role for the franchise model in its growth story. Palit, who has been involved with the company since inception, shares the secret to success in the food industry – a sound business model, warm personality and knowing what to do with customer feedback. Edited excerpts from an interview with Prerna Raturi

FOODIES'

PRERNA RATURI: For Speciality Restaurants, where does the franchise mode fit into the scheme of things?

INTRANEIL PATIL: Our basic strategy is to have company-owned outlets in metros cities and go the franchise route in tier II cities. The difference in the strategy is for a reason. We went public with the main intention of expanding our operations and have 45 more restaurants in the next three years.

Tier II cities are part of the equation and we feel that future opportunities should be explored there. We would also like to have a first-moved advantage here and are already present in places such as Nasik, Guwahati, Baroda and Ahmedabad. We recognise the potential of the franchise model. By forming a strategic alliance with franchise partners, we are creating opportunities to expand in these locations in the future.

Moreover, it is always better to have a local person in smaller places as they are able to understand the nuances of culture better.

In smaller cities, the person owning a restaurant easily becomes the brand and the marketing person. If he and the brand work well, the results are better. With time, the franchisees will become our partners.

We are adding up 45 company-owned and operated restaurants in the next three years. This is our primary objective. However, we will open few franchise units in tier II cities for which the agreements have already been executed.

PR: How is the franchise model in the food industry different from, say, a retail outlet?

IP: The franchise model in the restaurant business in the fine dining segment not only needs systems and processes but also day-to-day involvement of the franchisor to ensure quality control and maintenance of brand standards on a real-time basis. On the other hand, retail business may not need such real-time involvement and personal intervention to that extent.

PR: For Speciality Restaurants, how important is it for the franchisee to have knowledge of the food industry?

IP: Knowledge of food is not a prerequisite but we would prefer a foodie. What we do look for in our franchise partner is the ability to share a long-term vision, future expansion opportunities. The franchisee should also be passionate about quality and understand the importance of the brand standard.

PR: But how can someone with no knowledge of the food industry run a restaurant?

IP: The company takes care of all the major things. Where a franchisee can help the business is that the feedback

is better and, as a result, the corrective action is faster. He can also help in exploring opportunities faster. Someone who invests the money may not necessarily understand the opportunities and challenges. However, the person should have a knack to connect with guests who walk in for a meal and a good time.

PR: Your company is known for reflecting its passion for food on to the plate. How do you make sure the same exists in your franchisee outlets as well?

IP: The entire operation of all our franchise outlets is run by the company's own deputed staff, supported by IT infrastructure and under corporate control. From day one of the operations, the manager, the receiving staff and the chef are our own and these are aspects we have not compromised on. Yes, franchisees may have maintenance issues from time to time and they take care of that part. The rest is all under company control. Currently, Speciality Restaurants has 92 restaurants and confectionaries, in over 22 cities. Of these, 22 outlets are franchisee owned. It's a mix of brands, with Mainland China being the most in demand among franchisees.

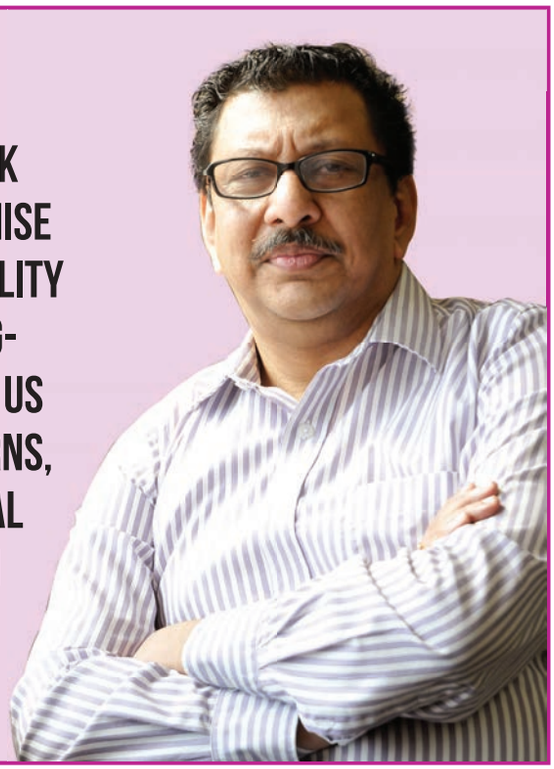
PR: Still, how does the company make sure that the brand equity and the quality of deliverables is not compromised with at any point?

IP: Our senior team visits each franchise units at least six times a year to monitor and advice on quality issues.

PR: Coming to the franchisee's point of view, what kind of expectations should he have in the food industry in terms of return on investment, break even period and so on?

IP: We sit down with them and take them through the entire process and the financial aspect of it. What kind of processes are needed, the kind of costing that will be needed, the bottomline, how the ingredients are different for dishes, and so on. Rents of the property are a crucial differentiator. It is ideal if the franchisee has a place of his own. Once this is taken care of, we sit down with them about the kind of business that needs to be done to break even within a specific period of time.

> **WHAT WE DO LOOK FOR IN OUR FRANCHISE PARTNER IS THE ABILITY TO SHARE A LONG-TERM VISION WITH US IN TERMS OF RETURNS, FUTURE POTENTIAL AND EXPANSION OPPORTUNITIES**



PR: Again, for a prospective franchisee what are some of the factors that should be kept in mind while approaching a company in the food industry sector?

IP: You should see the power of the brand, the quality of senior members of the team, the rate of growth in the recent past, the brand's visibility in multiple cities and strict accounting and control practices.

PR: How profitable is the franchisee business in the food industry, both for the parent company as well as the franchisee?

IP: It is an extremely profitable route, provided the business models are in place from day one. There should not be any over-commitment from either side in terms of rent, the size of the place, pricing, returns and so on.

If a person is looking to be a franchisee in the sector, he should be sure of the business model. Neither should be overestimate the returns, nor be overambitious. Realistically speaking, a franchisee can break even in two to three years' time.

PR: But how susceptible is the food industry to sudden changes and how does that affect the franchisee?

IP: At the moment, what we have seen is that there may not be euphoria that we saw a few years ago about the economy, when we were charting a 15 per cent growth. But the weekend crowd outside our restaurants continues. Also, franchisees are realistic about these things, as they need to be. If the site is chosen carefully and the business model is in place, things should be good. Yes, the food industry is susceptible to how the economy performs, but not to the extent of being worried about.

feedback@franchise-plus.com

HIRE THE RIGHT PEOPLE

Here is the single point source for all your legal questions when it comes to franchising. Write in to get solutions from legal experts.

Q What points do I need to include in my Franchise Agreement?

There are no standard points to include in every franchise agreement. Most Franchise Agreements start in this fashion:

The Franchisor has agreed to grant a license to the Franchisee for managing and operating <Franchisor's name> centre at <City>, being specifically located at <enter address> with Franchise Code No <enter number> and such license shall be valid for a period of two years from the date of signing this Agreement. The Franchise type offered and accepted by the Franchisee is "EXCLUSIVE". In addi-

Q How do I merge two companies in India to create a group Company? What are the legal points covering Group companies?

A merger, like the name would suggest, means the financial and operational coming together or merging of two corporate entities. It involves a mutual and amicable understanding and desire between the two parties to merge and function as one.

The result of a merger would be the formation of a new entity altogether, enjoying the assets and bearing the liabilities of both the distinct entities.

An acquisition involves one business or company buying out another business or company in an absolute sense. It doesn't involve the formation of a new entity and

vakilsearch.com, which started last year, has grown to become India's la
for virtually every legal need. Additionally, with a team comprising of Cl
Legal is now Simple!

tion to the Franchise centre mentioned above, the Franchisee shall be entitled to operate Franchise centres throughout the aforementioned city during the pendency of this agreement.

So make sure that the agreement covers the following:

a. Name of the Franchisor
b. Name of the Franchisee
c. City in which the Franchisor is located
d. City in which the Franchisee is located
e. Franchise Code Number
f. Nature of the Franchise (Exclusive / Non Exclusive)

In addition, every franchise agreement must clearly spell out the object and goal of taking the franchise. The goal may, for instance be to start and run a fast food restaurant (say in the case of Mc Donalds) or to maintain car servicing workshops (in the case of a Company like Carnation).

Finally, the Franchise Agreement will also have clauses governing responsibilities and obligations of the Franchisee. For instance, every agreement will have clauses like these:

The Franchisee shall obtain all registrations/ statutory permissions and clearances as shall be required to set up and run the Centre from time to time, at his own cost. The Franchisee shall also take all mandatory approval and licenses from the competent authorities for the building, electricity, water and other municipal services. The Franchisee agrees to adhere to all the rules and regulations as laid down under various laws of the land and understands that in case of any violation thereof, the Franchisor will no way be responsible.

The Franchisee shall hire qualified and experienced operators to run the Franchise centre as per the eligibility criteria fixed by the Franchisor, which shall be separately defined by the parties, either as an annexure to this agreement or otherwise. The Franchisee agrees to render only those services and vend only those items as are authorized by the Franchisor from time to time and not to undertake any other business activity at the centre. Accordingly the Franchisee shall not display, advertise or offer for sale any services or products other than those authorized by the Franchisor.

the company being acquired, (called the 'target company') is absorbed into the acquiring company.

An acquisition can be friendly or hostile. Whether an acquisition is perceived as being "friendly" or "hostile" depends significantly on how the proposed acquisition is communicated to and responded to by the target company's board of directors, employees and shareholders.

Typically in a hostile takeover, the board rejects the takeover bid as hostile and if eventually approved, the acquired company witnesses considerable tumult. For example, key board members may resign.

Indian scenario

In the Indian scenario, even though M&As between indigenous companies were common, M&As between Indian and global companies has become more common in the past few years. Some of the popular ones were the Vodafone-Hutch takeover and the Tata Steel-Corus takeover.

Surprisingly, the term "merger" or "acquisition" has not been defined under any Act specifically. While the Companies Act, 1956 gives the procedure for mergers and acquisitions, the Companies Bill, 2011 refers to it as "Compromises and Arrangements". Apart from the terminology, there have been some changes in the regulatory framework as well.

Comparing the 1956 Company Law to the 2011 Company Law:

The present law (The Companies Act, 1956) creates the structure for mergers and amalgamations that we use today. However, this structure was perceived by many as complex and a simplification of procedures was considered grossly needed.

Changes brought in by the Companies Bill 2011

The new Bill provides for a simplification of some procedures in respect of merger and amalgamations between a holding company and its wholly owned subsidiary.

The 2011 Bill provides that a merger scheme between a holding company and its wholly owned subsidiary can be given effect to without the approval of the proposed National Company Law Tribunal, which is the authority authorized to approve all compromises or arrangements. The Bill also promises to shorten the time needed to effectuate the merger.

As per the existing law (i.e. the 1956 Act mentioned above), there is no provision regulating an exit opportunity for shareholders of merging companies. Neither is there an option to purchase the minority shareholding. As per the 2011 bill, there are clear directions on how an exit opportunity is to be made. Not just that, but there are also regulations on price determination and valuation..

feedback@franchise-plus.com

I ALWAYS WANTED TO BE AN ENTREPRENEUR

With 166 franchisees under his belt across eastern India, he plans to take the count up to 300 and touch the magic figure of 1,000 franchisees across the country in the next 5-6 years. Prithwiraj Das, 40, is the Managing Director of Aacus Educations Ltd., headquartered in Kolkata. In an interview with Ramarko Sengupta, the former government employee recounts his journey to his first million, the challenges he faced and his future plans

Q Tell us a little bit about your business and how it all started?

Aacus Educations Limited started its journey of edifying the society with its venture in the field of child education initially focusing on Pre School, Abacus and Vedic Mathematics in the year 2011. Since March 2011, it has never looked back, creating over 160 franchisees and educating over 10,000 students focusing in the eastern part of India with an eye on expanding pan India.

Q Did you always want to be an entrepreneur? What or who inspired you?

A. I always wanted to be an entrepreneur with a dream of becoming a pioneer in the field of education, especially in the franchising model. I wanted to create something different, keeping the basics right, without compromising on quality.

Q Where did you get the idea of your business from?

A. The socio–economic status of India in comparison to the global perspective as well as the history of Indian mathematics and numerology had a great impact on me to take up the business and maintain the standards that India has set in producing wiz-kids. Moreover I always wanted to be in the education industry, which is booming and will always continue doing so.

Q When and how did you decide to become a franchisor?

A. I started off with my own test centre, giving myself some time to observe how it performs and keeping a close eye on the testimonials. As the centre started becoming productive and the students and the course instructors became testimonials themselves, franchisee enquiries started coming in. These made me believe that the time has come to look beyond the test centre and become a franchisor.

Q How was the initial response with the franchise model?

A. The response was overwhelming, day in and day out. The franchisee model was highly regarded and accepted by the prospects .For the franchisor, the franchise is an alternative to building 'chain stores' to distribute goods that avoid the investments and liability of a chain. The franchisor's success depends on the success of the franchisees. The franchisee is said to have a greater incentive than a direct employee because he or she has a direct stake in the business.

Q What are the hurdles and challenges you have faced as an entrepreneur and a franchisor?

A. The major challenge I faced was choosing the right person or agency for giving out a franchisee as they were to be the face of the organisation in their respective areas or regions and the performances of the same would pave the way for the future. We had various kinds of people coming from different strata of the society including businessmen, housewives, school teachers and many more. Another challenge was to find and retain good course instructors who would basically be the backbone of the business and to elevate them to higher levels as they became the brand ambassadors.

Q Could you please share some personal anecdotes from your experience as an entrepreneur and a franchisor?

A. As an entrepreneur, I have taken every experience however good, bad or ugly, in my stride. I have got tremendous support from the franchisees making me feel like family and expanding as a tree, but at the same time there have been some bitter experiences where some franchisees have been unfaithful and have even proven harmful at times.

Q How much was your initial investment in your business? How did you finance it?

A. Rs.10 lakh, through equity capital from the directors

Q How long did it take you to start making profits?

A. Six months and I was making profits.

Q Which has been your most memorable moment so far while running this business?

A. The most memorable event so far has been organising the All India Students' Summit at the Netaji Indoor Stadium held on the 26th of May 2012, where over 1,800 students from 150 franchisees from eastern part of India participated in an Abacus competition with a record audience of around 8,500 people. It also witnessed the presence of eminent personalities from the state government and celebrities from the film and television industry. Now we have a total of 166 franchisees.

Q What is your mantra of running a successful franchise model? It must be difficult to keep a tab on each centre and franchise?

A. 'Follow the system' is a mantra in franchising and critical to a franchisee's success. My mantra is keep it simple and do not compromise with quality of education and service.

At times it was difficult to keep a tab on each franchisee when it was expanding rapidly, But with time it has become normalised with able shoulders to handle the operations.

Q What sort of franchise model do you follow? How much is the initial investment for somebody who wants to start a franchise?

A. It is a pure franchisee model, where the party who wants to take up franchisee has to have space and capacity to do the investment for the brand, setup and running the show.

The initial investment other than space varies as we have different models based on the location. Average investment is in the range of Rs.64,000 to 1,00,000 for Aacus After School and Rs.6-15 lakhs for Aacus Pre-School.

Q What sort of support do you provide your franchisees?

A. We do provide after sales support like promotional activities, counseling support for enrollment, training support for the course instructors of franchisees, orientation of business partners, content and curriculum, and quality check on delivery process.

Q What are the conditions/requirements to become a business partner?

A. The business partner should have their own or rented or leased space, adequate funds for operations and entrepreneurial skills as well as a passion for education.

Q Do you help your business partners exit the business?

A. We do have an exit clause in the franchisee agreement where due to unavoidable circumstances, the business partners may exit the business. As per situations, we do help the business partners to exit.

Q What are the exit options?

A. De-franchising and mutual understanding.

Q Tell us about your expansion plans and goals going forward and how you plan to go about it?

A. We do expect to create over 300 franchisees in the east and over 1,000 franchisees pan India in 5–6 years' time.

TURN A FRANCHISEE NOW

ANNURAG BATRA
Publisher & Editor-in-chief, Franchise Plus

abatra@exchange4media.com
twitter: @anuragbatrayo
facebook: anuragbatrayo

As the murmurs of an economic soft landing threatening to attain proportions of cacophony, this magazine attains great importance. This is the short cut to dump that job and turn a businessman. The best and the most cost effective way out, turn to franchising.

In the copy you are holding in your hands will tell you which are the most lucrative and hot sectors to start a franchising business. Our writer Ramarko Sengupta has put together these sectors based on a strong market research.

On another note, what's the big noise and fuss about franchising all about? Walking on the streets, every other direction you look, your eyes will be met with some franchisee or the other- whether it's your neighbourhood McDonald's, KFC or your Levi's store; they all stand testimony to the fact that franchising has penetrated deep into our lives.

So how does this model of business work and how did it evolve? For a company selling a product and/ or services, capital and geographical constraints become a hindrance as far as distribution and penetration into different markets are concerned. Franchising provides an opportunity for a company to expand briskly without its capital requirement swelling up beyond control. It provides a platform for a wider market penetration and is an attractive business proposition for budding entrepreneurs who want to start-up, but don't necessarily have their own unique business idea or the resources to start a business completely on their own.

One of the great advantages of the franchising model is that the franchisee is as much motivated and driven towards the success of the business as the franchisor. An employee or a manager may at times be lax or lack motivation, but since the franchisee's interest in the success of the business is as much as the franchisor, it is a win-win for both parties.

A franchisor trains the franchisee and provides the franchisee with the know-how required to run the business. There are no specific skill-sets or qualifications required to take up a franchisee, which makes this a very popular pick amongst budding entrepreneurs.

The franchising model is definitely here to stay and the number of franchisees mushrooming in cities and tier-I, tier-II and even tier-III cities and towns is proof enough of how the country has taken to it like a fish takes to water.

[IMPACT] PERSON OF THE YEAR 2012

exchange4media CONCLAVE 2012 | DELHI | MUMBAI

MQ What's your Media Quotient?

INDIAN digital MEDIA AWARDS 2012

PITCH | MADISON MEDIA advertising OUTLOOK 2012

face-to-face initiatives

ink 2012 exchange4media india newspaper congress

OOH CONFERENCE & AWARDS IN OUTDOOR ADVERTISING & DIGITAL SIGNAGE

NEWS NEXT 2012

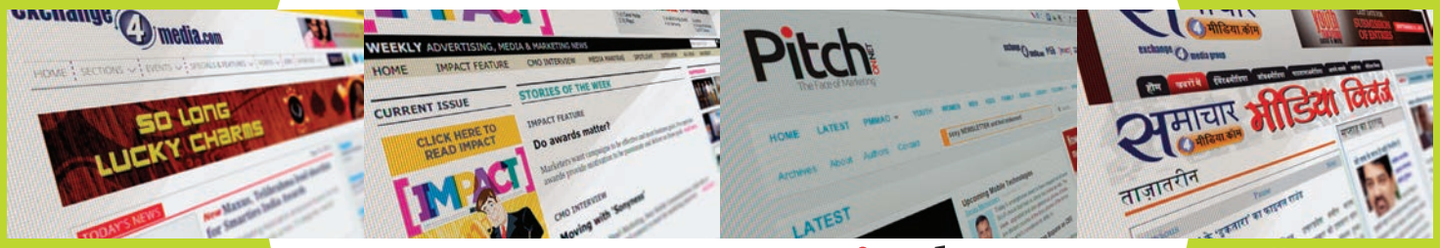
enba 2012 exchange4media news broadcasting awards

digital quotient will you click?

social updates

our group publications

exchange4media group



exchange4media.com www.exchange4media.com

[IMPACT] www.impactonnet.com

Pitch ONNET The Face of Marketing www.pitchonnet.com

समाचार 4 मीडिया.कॉम www.samachar4media.com

our group websites

digital 360°

creating & owning a community

regular daily, weekly newsletters, & EDMs

sms alerts

web 2.0

RNI No: DELENG/2009/27658

If business & food are always on your mind, DFIPL's hot & delectable franchise offer is just what you need!

Urban Dhaba™

Khao te nachho...

The Urban Dhaba is mostly known for its flavorsome north Indian cuisine, with th essence of village traditions but the dhaba has a rather arty connection as the finest artist from all around the country bracket together to create a heartfelt milieu.

Area: 2000 sq.ft.
Investment: 50 Lacs onwards

HongCun

HongCun-Providing un parallel authentic Cantonese, Szechwan, Hunan & Shengdong style food & variety of tea's right from the streets of village HongCun for taste buds with unmatched quality, hygiene, service & value which satisfies each guest coming to HongCun. DFIPL focus of HongCun will be on day part expansion and operational efficiency- Quick, Clean and efficient.

Area: 2000 sq.ft.
Investment: 50 Lacs onwards

WE KNOW THE RECIPE FOR SUCCESS!

Café 901™

Fresh Food Café - an original & the most contemporary concept based Café with Live DJ Music! It's a perfect place to relax, socialize and have fun with family & friends. It accommodates everybody's unique needs from Shakes, Coffees, Sundaes, Cakes, Brownies, Frappes and much more...

Area: 400-1500 sq.ft.
Investment: 20 Lacs onwards

taste of south IDLY JUNCTION™

The casual dine format for common man where the Southern Spices meet your taste buds with great South Indian food, fixed lunch and dinner options in a casual ambience and moderate rates. The main target group is the mass.

Area: 400-1500 sq.ft.
Investment: 20 Lacs onwards

चटकारा™

dilli ka...

The typical Indian street taste which offers the foodies delicious lip smacking Chaats and wide variety of offerings that covers the pan Indian street food under one brolly. From Vada Pao in Chaupati to the relishing taste of Pani-Puri in Delhi, you think of it! We serve it!

Area: 400-1500 sq.ft.
Investment: 20 Lacs onwards

KIOSK FORMAT IS ALSO AVAILABLE ON SELECTED LOCATIONS.

DFIPL
Dream Foods India Brands
Promise Less Give More

AREA MASTER FRANCHISE AVAILABLE ON REQUEST

Calling Entrepreneurs, Businessmen & Investors to collaborate with us...

FF 115 & 116, Neel Kanth Plaza, Alpha Commercial Belt-I, Greater Noida- 201308 (NCR) INDIA
Mobile: +91 99993 90901; Tel.: +91 120 4293 901/02/03; Fax: +91 1204293 900
E-mail: franchisee@dfipl.in; ashwinjalan@dfipl.in URL: www.dfipl.in