

INTRAPRENEURSHIP IN FRANCHISING BUSINESS

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1. Introduction & Explanation of Franchise in Intrapreneurship Environment.

What is franchising and how does it work?

There is more than one kind of franchising, but here is a basic description of what "business-format" franchising is.

Franchising is a method of business expansion whereby a business owner or manager allows someone to market products or services under their name and trademark and in strict adherence to a system he/she prescribes. In return, the franchisee, as that person (or organization) is called, pays a fee and, usually, an ongoing royalty. Moreover, the franchisee pays all of the costs of getting into his or her own business.

In the 1960s – before Ray Kroc and McDonalds, before Seven/Eleven, Subway, Pizza Hut, and all the other successful franchise companies established franchising as a legitimate industry – all of those negative things were being said and done about franchising. Yes, there was even a move in Congress to outlaw franchising.

“The way forward for future success of the companies is to encourage Intrapreneurship in Franchising Business”. So why venture out onto the path of the intrapreneur? They may not be making front-page news, but they're often newsmakers in the company, winning higher salaries, recognition and respect, seed money and supporting staff, not to mention a constantly stimulating work environment where they can keep innovating and learning. Within the shelter of the company, intrapreneurs also gain all the skills necessary for successful entrepreneurship, should they ever decide to leave.

What is Intrapreneur?

“An intrapreneur is a person within a large corporation who takes direct responsibility for turning an idea into a profitable, finished product through aggressive risk taking and innovation.”

“Must of the individuals who has ideas; pursued it, fashioned it, tenaciously clung to it against al odds, and than produced it, sold it and profited from it within existing a large corporation. “Mostly it is developing an ability to recognize profit potential inside and outside the field of expertise in a large corporation.

To be an Intrapreneur, you need to able to take risk and just B.P.C.C in short form.

B- You have to be BOLD.

P- You will need to be very PROUD

C- Be CONFIDENT in all things.

C- Must be CONFORTABLE in your approach.

2) How can franchise could help develop Intrapreneurship in your organization.

The popularity of franchising is no accident. It is the most entrepreneurial of all growth systems because it allows more people to become business owners than any other system. That's why franchising is "**the American Dream with a Safety Net**"... franchisees get the benefit of being in business for themselves, but not by themselves.

- Franchising is a way for the small business entrepreneur to boost the odds of success.
- A franchise takes the guesswork out of building a business from scratch.
- The franchise company creates a "turn-key opportunity" – a ready-made business, complete with products or services, training, vendors, policies and procedures.
- Virtually anyone with the desire and start-up capital can climb into this vehicle, turn the key, and drive off down the highway of entrepreneurial success.

It's truly brilliant. You don't need to know all there is to know about building a franchise to own one.

The franchise company has done all that work for you, You simply pay your franchise fee, build or rent your location and furnish it with the equipment the company has already designed and successfully tested for you, hire your people, and then pay the company a percentage of your sales and profits. According to its critics, the truth is about one third of all franchises fail. Another third break even and only one third make a profit.

In fact some franchise veterans say you can't make money in franchising today unless your company encourage Intrapreneurship Culture and or own five individual franchise units or more! Still, that's a much better average than the 80/20 failure/success rate of conventional small businesses. Which will consider later?

Do different. No matter what you do, do your own thing. Differentiation is perhaps the most important attribute of a successful venture. Not just for standing out in a crowded marketplace, but doing the little things inside the company in a way that is better than your competition. And if you can't invent a great positioning or process, you can always excel at personal service in franchising business.

3) The advantages of Intrapreneurship in Franchising Business.

Succeeding at Intrapreneurship

Every new idea will have more than its share of detractors. There is no doubt that being an intrapreneur is difficult, even in the most tolerant of companies. So how can people succeed at it?

1. Do anything needed to move your idea forward.
2. It is easier to ask for forgiveness than for permission.
3. Come to work each day willing to be fired.
4. Work underground as long as you can.

Distinguish Intrapreneurs from Promoters in Franchising Business.

One of the keys to managing innovation cost-effectively is to choose the right people to trust. Too often when managers look for intrapreneurs they choose promoters instead. Promoters are very good at convincing people to back their ideas, but they lack the ability to follow through. Thus, one of the keys to managing innovation is to be able to distinguish between intrapreneurs and promoters.

So why venture out onto the path of the intrapreneur? They may not be making front-page news, but they're often newsmakers in the company, winning higher salaries, recognition and respect, seed money and supporting staff, not to mention a constantly stimulating work environment where they can keep innovating and learning. Within the shelter of the company, intrapreneurs also gain all the skills necessary for successful entrepreneurship, should they ever decide to leave.

4) The Successful Franchise using Intrapreneurship culture.

Corporate Franchise Intrapreneurship Programs:

Ways of Encouraging Intrapreneurship in a Company:

“Encourage them and they will do more than expected”

- **Empowerment (giving meanings to the facts)**
- **Motivation and giving more responsibilities.**
- **Incentives (thinking the best of people)**
- **Training Intrapreneurs.**
- **Managing Intrapreneurs; The Company must choose intrapreneurs who are persistent, impatient, who laugh, and who face the barriers.**
- **Keep R&D Close To The Action**
- **Develop through Coaching.**
- **Help everyone balance status and power.**
- **Limits of individualism, benefits of services and altruism.**

What Intrapreneurs can do in Franchising Business?

“An intelligent mind acquires knowledge and the ear of the wise seeks knowledge”

“In-house entrepreneurs, -- those "dreamers who -- can increase the speed and cost-effectiveness of technology transfer from R&D to the marketplace”.

Be a Courageous Moderate Risk Taker

Be Frugal; Stay Flexible

Be Creative about the Pathway

Build a Team of Enthusiastic Volunteers

Build a Network of Sponsors

Ask For Advice before Asking For Resources

5) Conclusion:

Moving forward, I believe that businesses will seek even more innovative and growth strategic ways to expand and capture the full value of your business. Your presence here today is a clear signal that the message of franchising as a strategy for growth increasingly beginning to be heard. And it is those that seize the opportunities, leverage on their intellectual assets and learn the rules of the game in the business playing field that will reap the maximum benefits

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