



Article published on August 1st 2012 | [Education](#)

You might first think that because you are buying a franchise you don't need a business plan. After all, the franchisor is going to tell you exactly what you need to do. Well, that's not really how it works.

Yes, you have an existing business model, the franchisor will provide training, the company branding and marketing material is defined and you have other franchises that have made many mistakes so you don't have too.

However, think of the franchise as simply providing the foundation. You still need to build the rest of the business. In building that business, you need a business plan that defines and sets expectations.

Why have a franchise business plan?

Even the most successful franchises can fail without a good business plan. The franchisor is not running the franchise, it's you! You are responsible for how well it operates and its profitability. Your plan will be a road map to the future. It will lay out the way you must go to achieve your ultimate ambitions. There are three basic elements that a good business plan gives you:

1 Phased Approach You can't tackle every detail at once. Dealing with each piece of the business such as: staffing, supplies, insurance, marketing, overhead expenses, utilities and so forth, will allow you to see what needs to be done, one piece at a time. It becomes less intimidating to deal with issues separately than as a whole.

2 Key Benchmarks You want to see definable success as you move forward. The franchise business plan gives you the opportunity to set key benchmarks or goals for each quarter of the first, second, and third year. As you move to the future, you work toward those goals, solving the problems or overcoming obstacles as you go.

3 Financing Tool You may need funding for the business. Even though you may have some money to start the franchise, you'll likely need money for contingency funds for unexpected issues that arise. The business plan allows lenders to see that your goals and approach are solid and realistic. This gives them the sense of security they need to want to invest in your franchise business.

Creating the business plan

Formulating a solid business plan for a franchise business requires help. You can get a lot of the information you need by talking with other franchisees that have similar locations. Get input from the franchisor, speak to other business owners, lenders and others to get an outline for your plan.

Every detail doesn't have to be set in stone because conditions and circumstances will change and shift. You'll need to be flexible and so will your plan. You must be able to adapt to issues and deal with them accordingly as they arise.

Just remember, the plan is not going to be perfect. It's not meant to be. It will force you to enter this opportunity with your eyes wide open, with risks and opportunities identified and contingencies in place. The plan may also shed light on issues you may not have uncovered in your due diligence. But better to know now so you can adjust, instead of the issue becoming a cause of failure.

Article Source:

<http://www.articleside.com/education-articles/why-you-need-a-franchise-business-plan.htm> - [Article Side](#)

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Acey Fred is a Canadian Author. He provides help introduce prospective franchisees to franchisors, helping both to achieve higher levels of success. He has applied his knowledge and understanding to a wide variety of a [canadian franchises](#).

Article Keywords:

best franchise opportunities, business franchise opportunities, buying a franchise, canadian franchises, franchise business

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