

Which Path to Choose -



INDEPENDENT BROKER OR FRANCHISEE?

There are really two kinds of entrepreneurs. There are those with a passion to “hang their own shingle,” who are willing to buck the odds that say more than 80 percent of start-ups will fail during the first five years. As for the second group, while they carry the same entrepreneurial spirit as the first, they don't want to start over by themselves.

Fortunately, a career as a business broker can offer the best of both worlds. Unlike other business ownership options, this profession offers an opportunity for a successful, long-term career, thus attracting displaced executives, military retirees, real estate brokers, commercial loan officers and other professionals with sales, financial or managerial experience.

However, independent business brokers have to juggle their passion for working with clients with the obligatory administrative duties. For those who'd prefer to benefit from someone else writing the playbook, an alternative exists – that of a brokerage franchise. Unlike a typical business brokerage firm that is often a one or two person

“The ideal situation is when the franchisor's success is in line with the franchisee's success.”

shop with no administrative support, the franchise model provides comprehensive administrative support. A proven business development process, access to a database of companies for sale and comprehensive training are only a few examples of things not found in the small independent business brokerage. Not to mention, the franchisor has done all of the trial and error in developing the business so the franchisee doesn't have to waste his or her time and money.

Keep in mind that not all franchises are created equal. Brokers should be leery of models that seem more interested in the upfront fee and less interested in providing ongoing support and tools to ensure success. The ideal situation is when the franchisor's success is in line with the franchisee's success. One way of gauging this is asking whether the franchisor has an open door policy to collect regular feedback or if the franchisor regularly calls its franchisees. These examples show that the franchisor values its franchisees as equal partners. When considering a business brokerage franchise, look for those that offer the following:

Centralized support

Franchises should have access to nationwide multiple listings, marketing, direct mail and telemarketing programs. In addition, as listings are obtained, the corporate office should assist in generating confidential offering documents, business profiles and web postings for its franchisees.

Administrative lead generation assistance

Corporate staff should handle mail merges, list selection and the printing, folding, signing, stuffing and stamping of thousands of letters franchisees generate. Telemarketing services should be available to complement direct marketing programs.

Technical web support

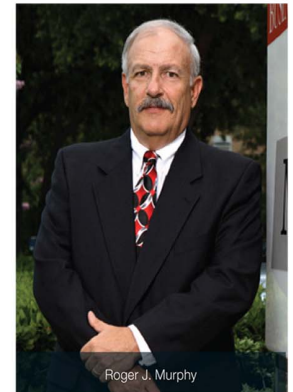
Beyond a professionally designed company web site, email system and social media program, franchisees should expect corporate to develop individual web sites for them.

Experts in related fields

A deal might come along that is more complicated than the typical transaction, perhaps involving a merger or acquisition, or divesting or leasing real property in addition to the business. While many independent brokers might walk away, a franchisee has access to a network of brokers who have experience in almost any industry that you can think of, along with M&A support, business valuations experts, machinery and equipment appraisers, commercial real estate expertise and any other assistance necessary to close the deal.

Anytime assistance

If a franchisee needs more hands-on assistance, the franchisor should find ways to be a valued resource. With this being said, a franchisor should make frequent check-in calls to its franchisees



Roger J. Murphy

or even invite their franchisees to the corporate office to brainstorm and solve any issues that may come.

Training

Extensive training in all aspects of the process of business transfer is a requirement, but training should exist beyond an initial class. Monthly reinforcement and optional training should be available as needed to ensure success. Conferences and seminars are an important way to keep franchisees up to date and involved in the current trends and resources available to them.

Even if you are a business broker with no desire to build a business from the ground up, you still have an opportunity to find success through joining a franchise organization. Franchises can offer the same independence as a start-up, along with the support of turn-key systems, extensive training and a proven lead generation source.

To learn more about Roger Murphy and Murphy Business & Financial Corporation, LLC, email rmurphy@murphybusiness.com or visit www.murphybusiness.com.