

Identifying the path forward for franchising

The Franchise Association of South Africa (Fasa) states that among the many industry sectors in South Africa, franchising is the only one that covers a whole spectrum of business sectors (around 14), all of which have been affected by the Covid-19 pandemic in one way or another.



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As an industry sector, franchising often does not get enough credit for its contribution of close to 14% to the country's GDP, says Fasa.

Mindful of the effect of the pandemic in every sector, the association is holding a virtual [Franchising for Africa](#) conference in August, sponsored by Absa, to assess how the franchising industry is handling the pandemic, both locally and abroad. The event will drill down into four of the major sectors – restaurant & quick-service restaurant, consumer services, FMCG and automotive – to identify the challenges and changes and identify any trends and innovations that may come out of the pandemic.

“While some of our sectors, like those in the restaurant and liquor retail sectors are being hardest hit, surviving the crisis and rebooting becomes a precarious balancing act for all franchises that requires teamwork and a focused business approach,” says Pertunia Sibanyoni, chairperson of Fasa and CEO of Inspecta-Car.

“But if there is one business sector that knows how to balance the scales of supply and demand, be innovative enough to change course and use its collective power to weather the storm, it's franchising,” adds Sibanyoni.



Inaugural Franchising for Africa conference set for August

25 Jun 2021



Constant innovation needed

Franchise consultants like Eric Parker, Lindy Barbour and Elana Koral, who will all be presenting at the Fasa virtual conference, are keenly aware of how important it is for franchisors to continually find strength in the collective to stay afloat, plan for future growth and continue to innovate.

According to Lindy Barbour, director of The Franchise Firm, when it comes to surviving the pandemic crisis, “it wasn’t just the decisions franchisors made during the lockdown that made the greatest difference to survival, it was their decisions and behaviours beforehand that stood their network in better stead. Franchisors operate two businesses; they have to be at the forefront of innovation, product development and marketing whilst traversing the tight rope of their second business of franchising.

“They say a crisis reveals more than it conceals and this was certainly the case with Covid-19. Elements of the franchise model and the franchise relationships within those models that were not sound before the pandemic were exposed during the pandemic. The best battles were won by debriefing, extracting the lessons and adjusting behaviour accordingly.”

Finding the silver lining is what franchising stalwart Eric Parker of Franchising Plus looks for and whilst the economic downturn was evident well before the pandemic, there may well be a positive effect on the franchise environment as individuals, entrepreneurs and business owners are now looking for opportunities to progress, develop and find new avenues to pursue.

“Some individuals have been forced to seek alternative employment solutions. Some feel insecure in their current positions or have changed their priorities in life. This has led to an increase of new entrepreneurs in the market or people seeking to buy employment opportunities,” says Parker.

“Corporate companies are also starting to see the value of franchising but due to their rigorous structures and cultures, the transitioning to a franchise environment may seem to be more complex, but it achieves great results and gives the corporate companies the opportunity to empower and develop individuals from within. In times like this, it is necessary to look beyond the current situation and try to see the bigger picture,” Parker adds.



4 challenges of growing a franchise network beyond Covid-19

Morne Cronje 18 Jun 2021



Finding success in Africa

South Africa stands out as the only country in Africa that embraced the franchising model back in the 1960s, and built it into the formidable business sector that has created 800 business brands operating through over 48,000 outlets.

Collaborating with Fasa and Absa, Elana Koral of Franchise Coaches, a sponsor of the conference, believes the focus should be on what the future holds for this business format that has the potential to transform the economic landscape of Africa. Koral finds that a company that is able to pivot and adapt easily is well primed to make it in Africa.

“There could be services franchises or education franchises for example where, as a result of Covid-19, people have changed buying patterns and preferences. Franchises need to innovate now more than ever. There is also an opportunity

for new types of franchises to service the market. Mobile operations have become popular - ranging from professional services such as mobile physiotherapists, beauticians, masseurs and caregivers to mobile dog groomers and laundry services, etc.”



Hard-hit food and beverage industry amongst slowest to recover

5 Jul 2021



Newly appointed CEO of the Franchise Association, Freddy Makgato believes that growth in the franchise sector should also be focused on programmes that are aimed at transforming the industry and contribute to poverty alleviation and job creation in South Africa.

“We therefore need to strengthen our collaborative and cooperative efforts with other stakeholders in this respect and we appeal to government to partner with us in finding new avenues for growth. With franchising covering fourteen different business sectors, and with many more that have the potential to be franchised, there is an important role for Fasa and the franchise community to play in the country’s future,” says Makgato.

Fasa’s Franchising for Africa Conference takes place on the 25 and 26 August 2021 virtually over two days and with two streams.

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