

The social franchising opportunity

By Vera Valasis

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The obsolescence of the middle class never hit home before as much as it did when I read 'Choose Yourself' by James Altucher. He describes in his book how robotics and technology are set to take over most of the jobs performed by the middle class and coined the phrase 'you have been replaced'... by robots - many people just don't realise it yet.



Vera Valasis

He believes that unemployment should be around 50% as most employable people should be entrepreneurs and/or outsourcing their skills to various clients.

Yet in South Africa, many young people are looking for jobs and one wonders what jobs they had in mind.

It seems robots over time would take over the performance of most repetitive or mundane tasks – or even highly skilled tasks – like taking over agricultures' crop production by analysing soil for crop optimisation, for example.

Another example that comes to mind is the surgeon performing precise and detailed procedures that robots can do better than humans.

Cultivate an entrepreneurial spirit

So how does one cultivate an entrepreneurial spirit and how does one encourage or help people from idea generation to establishing a business? First of all, one should examine what one's passion is; it is so much easier to make a living doing something you love – we all know that.

Think about what you loved when you were a child or what your main interests were; perhaps that could provide you with an idea for a business, provided your business would reduce costs, cut out the middle man and solve a problem.



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I have met many intelligent, energetic and creative young South Africans over the years at the Franchise Association's annual franchise expo. Almost all of them had amazing business ideas but didn't know where or how to get their businesses off the ground. This is the starting point!

We have read of many incubators and programmes to assist idea generation into established business but there is still an enormous amount of fumbling around, battling to connect to the right people, battling to build up a network, access to funding and many more stumbling blocks. So to simplify the process of getting into business, most entrepreneurs overlook the concept of franchising, particularly social franchising.

Addressing a social need

Let's just take a step back for a moment – what is social franchising?

According to Wikipedia, 'social franchising is the application of the principles of common franchising to promote social benefit rather than profit' but this is not to say a social franchise should not make money.

Social franchising is in its infancy in South Africa, but across the continent there are some of the biggest and most successful social franchises worldwide. Concepts range from education, frail and disability care, medical diagnostics and medicine supply, sanitation services and water supply, for example.



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So to young entrepreneurs with great ideas, consider whether your idea for a business could perhaps be developed as a social franchise? This could provide you with access to funding – like donor or crowdfunding – and access to social responsibility funding by corporates that operate in the same field as your proposed business.

Big business is always looking for tangible investment opportunities for social responsibility funding investment vehicles that have checks and balances in place so a social franchise could be the best opportunity in this instance.

If your business takes off you could not only be addressing a social need and possibly have rapid expansion by way of applying a successful business model like franchising, but be carving a bright future for yourself. Remember, in this new world order, your business must reduce costs for the customer, cut out the middle-man and address a problem or need.

To address the challenges we face, the Franchise Association of South Africa (FASA) will be holding its International Franchise Indaba from 6 to 7 March 2020 at Expo Centre (Nasrec), which will be a showcase for business opportunities and is focused on skills development, entrepreneurship and a platform for buying a franchise.

ABOUT VERA VALASIS

Vera Valasis is the Executive Director at Franchise Association of South Africa (FASA).

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