

Fast Food Franchises

Fast food may have taken a battering in the press as a result of the nation's increased obsession with its health, but the market remains strong.

According to Euromonitor, the UK market for fast food and takeaway was worth £6.8bn in 2002, an increase in 5% on the figure for the previous year.

More people are living alone and working longer hours, and are unable or unwilling to cook for themselves, providing retailers with a constantly growing market.

Meanwhile, fast-food franchises such as McDonalds are developing 'healthy' ranges such as salads and grilled chicken to cater for its clientele.

Viable and popular

Franchising within the fast food sector is a particularly viable and popular way of setting up your own businesses.

Fast-food franchises as diverse as Domino's Pizza and Subway offer a chance to enter the market as an entrepreneur, but with the know-how and resources of a major multinational behind you.

As well as the provision training and an established brand name, you can access cheaper supplies through your franchisor.

More often than not, the company will help you choose a location which may be far superior to the one you could afford independently.

You will also benefit from the marketing and advertising activities of a major multinational.

On the other hand, franchising can be expensive and franchisors will usually be quite selective over who they choose.

Naturally, you will probably never have as much control over the business as you would as an independent operator, and not just on an operational level. So much will depend on the fortunes of the company on a wider scale.

Fast food can be quite a stressful area of business, as hours can be long and the job physically demanding. Some outlets will open from breakfast right through to post-pub, or even post-club, hours.

McDonald's remains the UK's leading fast food outlet. In 2002, it had a 23.2% value share of the market. The company had over 200 franchisees running more than 400 restaurants, 35% of its UK total, at the end of 2001.

As such, it's probably the best available case study of the industry, although its requirements are more stringent than most.

"To operate a McDonald's franchise you need the managerial and personal skills necessary to run a business employing 50 or more people and serving half-a-million customers a year," the company says.

"You'll also have to make a commitment to run the business, day in, day out, for at least 20 years," it adds.

The company operates a rigorous selection process, seeking individuals who have leadership and management skills, good common business sense and a track record of success in any field. Catering experience isn't a requirement, however.

Rewards

This might seem demanding, but McDonalds is adamant that the rewards are there for the taking.

"You will get the benefit of over 40 years food service expertise," they say.

"We will match your commitment by providing national advertising and promotional support as well as individual advice and practical support."

If their reassurance isn't enough, it's worth remembering that, according to a 2003 British Franchise Association/NatWest survey, 91% of UK franchisees claim to be profitable.

This looks particularly impressive when you consider that just over 3% of the country's independent businesses fail each year.

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