

# MOROCCAN AMERICAN BRIDGES 2007



## MAY 2007 - CASABLANCA

May 16, 2007

Northern Lights Franchise  
Consultants Corp.



# How To Make Your Own Franchise

“Moroccan American Bridges”

Rabat and Casablanca

May 14 – 16, 2007

# How To Make Your Own Franchise

## Current Franchise Sectors

- ◆ Fast Moving Consumer Products ("FMCP")
- ◆ Quick Service and Full Service restaurants, Hospitality, Educational and training services, management and business consulting, cleaning and environmental management, business support, health and beauty, telecommunications,

# How To Make Your Own Franchise

## Top Franchise Opportunities

- ◆ Education
- ◆ Health care
- ◆ Water Purification
- ◆ Business to Business Services
- ◆ Public Transportation
- ◆ Information Technology (i.e. Cyber Cafes)

# How To Make Your Own Franchise

## Sources of Franchise Concepts (Cont'd)

1. Service-based businesses (Traditional)
  - ◆ Food, Hospitality, Business to Business, Retail
  - ◆ “Micro-Franchising”
2. “Industrial/Commercial” Franchising
  - ◆ Manufacturing, Food Processing, Wholesale/Distribution
3. Primary Sector
  - ◆ Agri-food, Aqua-culture,

# How To Make Your Own Franchise

## Sources of Franchise Concepts

### 1. Import:

- ◆ Existing Franchise System
- ◆ Existing Non-Franchised Business

### 2. Develop locally

- ◆ Three years of profitable operations
- ◆ 2 or more locations

# How To Make Your Own Franchise

## Importing a Franchise Concept

1. USA is the largest single source of franchised businesses in the World.
2. Approximately 4,500 franchise systems
3. Not all franchise systems are large enough or mature enough to support international operations.

# How To Make Your Own Franchise

## Importing a Franchise Concept

### 1. Initial Selection and Contact

- ◆ Narrow choices
- ◆ US Commercial Services

### 2. Preliminary Meeting and Disclosure

- ◆ Good Faith Deposit
- ◆ Cost Recovery for Franchisor re due diligence

# How To Make Your Own Franchise

## Importing a Franchise Concept

3. Business Planning and Feasibility
  4. Supply Chain Management
    - ◆ Equipment
    - ◆ Cost of Goods
  5. Site Location Criteria
  6. Expansion Strategy and Time Frame
- Adapting Existing Franchise Model to Moroccan Market

# How To Make Your Own Franchise

## Importing a Franchise Concept

### 7. Determining Up-Front Fees

- ◆ Cost Recovery
- ◆ Market potential
  - ✓ Number of locations and average retail sales

### 8. Development Criteria

- How many locations built over what period of time

# How To Make Your Own Franchise

## Franchising An Existing Business

1. Three years of profitable operations
  - ◆ Franchisees/investors reduce risk by licensing a proven business model
  - ◆ Consumer Brand Equity versus
  - ◆ Investor Brand Equity
2. 2 or more locations
  - ◆ “Replicatability”
  - ◆ Not dependent on qualities of founder
  - ◆ Reasonable probability of re-creating success

# How To Make Your Own Franchise

## Design and Development Work

### 1. Strategic Planning

- ◆ “Management Consultant” versus “Retailer”
- ◆ Unique Selling Proposition / Value Proposition / Key Performance Indicators
- ◆ Business objectives
- ◆ Economic Model => “Sustainable Growth”

# How To Make Your Own Franchise

## Design and Development Work

### 2. Operations and Training Manuals

- ◆ Key to documenting “Know How”
- ◆ “Transfer of Knowledge”
- ◆ Initial Training and On-Going Support
- ◆ Consistent Replication ~ Compliance

# How To Make Your Own Franchise

## Design and Development Work

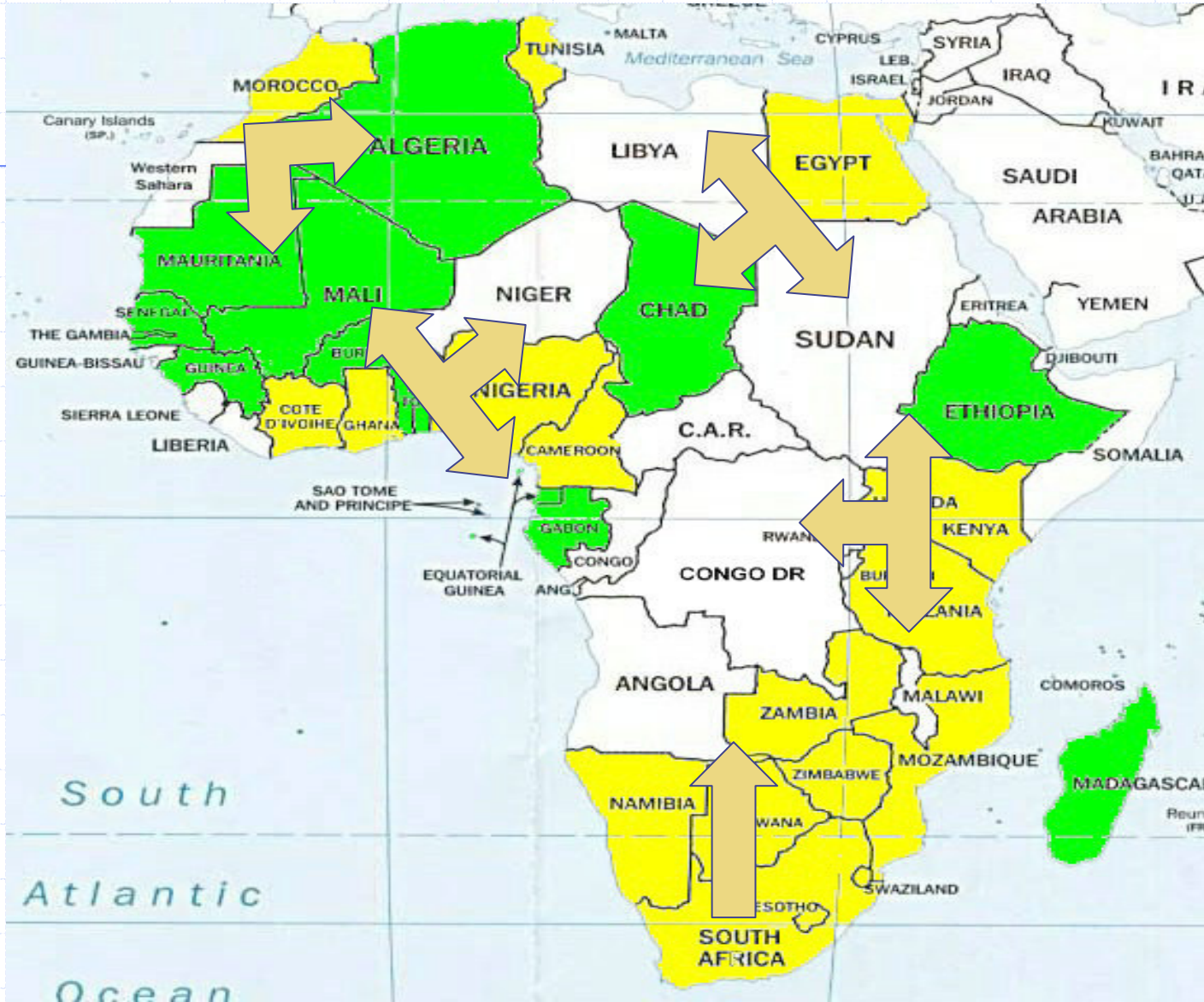
3. Brand Development (“Corporate Signature”)
4. Management Information Systems
5. Legals

# How To Make Your Own Franchise

## Design and Development Work

- ◆ 4 to 6 months of work
- ◆ Development Budget: \$70 K to \$90 K
- ◆ Marketing Budget: \$30 K to \$50 K

# AfDB: Strategic Platforms for Franchising



# How To Make Your Own Franchise

## Concluding Remarks

- ◆ Morocco presents key strategic advantages as entry point to MAGREB, MENA, EU and French West Africa
- ◆ Franchising allows Moroccan businesses to leverage “know how” while minimizing financial risk
- ◆ Opportunities for Moroccan business in “Non-Traditional” sectors as well.

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