

Refranchising Offers Expansion Opportunities

Financing for restaurant franchise owners



a complimentary article for franchise professionals

The trend toward refranchising – the practice of franchisors selling company-owned locations to franchisees – appears to be accelerating. Buffalo Wild Wings® recently announced plans to divest about one in ten company-owned locations. The chain joins a long list of brands that includes McDonalds®, Wendy's®, Burger King®, T.G.I. Friday's®, and the Yum! Brands® nameplates, all of which have been aggressively selling off locations to franchisees.

What's behind this trend? Several factors, not the least of which is investors who would rather see corporate capital focused on growth and profitability instead of feeding back into restaurant operations and remodels. Moving away from company-owned locations also allows franchisors to emphasize broad strategic plans instead of agonizing over per-store sales. In addition, if a chain is in the process of remodeling stores, the burden for those upgrades (and the associated hassles) shifts from the company to its franchisees.

Plus, most franchisees will tell you that they outshine franchisors at running locations. A local operator has a better understanding of the community and a more direct stake in a location's success than a distant corporate owner. And, if a franchisee increases sales at a former company-owned location, the franchisor receives more in sales percentages.

What does this trend mean for franchisees? If your chain pursues refranchising, you have an opportunity to expand your business by purchasing from a motivated seller. Whether you're currently a single-unit franchisee or have your own network, you can build upon the knowledge and success you already have, and better leverage your marketing funds. What's more, the franchisor is more

eager to sell to someone like you who has a demonstrated record of supporting its brand rather than to a newcomer.

Of course, you'll need access to capital to pursue any opportunities that arrive, and that's where First Franchise Capital Corporation™ may be able to help. Our cash flow and asset-based financing is designed with franchise owners in mind. Discuss your plans with our team of specialists today.

About First Franchise Capital Corporation

Looking for a lender that understands and focuses exclusively on serving franchise operators? First Franchise Capital Corporation (FFCC) provides cash flow and asset-based loans to franchise owners throughout the United States. We believe strong relationships with our clients lead to personalized service and customized finance solutions to finance equipment, real estate, and business acquisitions. Our team of specialists deliver a personalized client approach to ensure your satisfaction and success.

FFCC can customize a loan for your needs and situation, from \$200,000 to \$20 million. The goal is to help you finance growth with minimal out-of-pocket cost by leveraging the power of your assets and cash flow. Learn more by contacting us at 844-406-0347 or www.firstfranchisecapital.com.

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