

HOMOLYA KATALIN – ROBERT THIESSEN

Topic by Topic

Appendix

Sample role-playing dialogue

Role-playing: 16. Franchising

Student:

You are the manager of a well-known franchised fast-food outlet in Budapest. A friend of yours would like to open up a fast-food restaurant in another city, and asks you for advice about the advantages and disadvantages of being independent or operating a franchise.

Sample role-playing dialogue

Teacher:

As you know, I'd like to open a fast-food restaurant, but I just can't decide if I should buy a franchise or have my own independent restaurant. What advice can you give me?

Student:

Well, I think that whatever you decide, there's going to be advantages and disadvantages to both. I know from personal experience.

Teacher:

For example?

Student:

Well, let's start with the advantages of owning a franchise. Probably the best thing is that everybody already knows your name; you don't have to create one. And they're already familiar with your product. So you're more likely to be successful.

Teacher:

Okay, you're right about already being a known brand, but I think I could be just as successful with my own fast-food place, maybe even more successful if I work hard at building a good reputation.

Student:

Of course you can be successful if you're independent, but just think of all the extra support you get with a franchise.

Teacher:

Like what?

Student:

For example, a franchise provides all kinds of support, like advertising, for example.

Teacher:

Okay, but does a franchise provide free advertising?

Student:

No, it's not free, but a franchise can probably advertise more cheaply than you can because they're doing it for a thousand other franchises at the same time. Also, you save yourself all the work of finding someone to design and produce your own ads.

Another great thing about a franchise is that you have access to a huge infrastructure, so that everything you need, like who supplies the food and delivers it, is taken care of. This way you can concentrate on managing the business and building customer relations. In other words, the franchisor takes care of the "bigger picture". If you need new equipment, the franchisor supplies that too. Of course, you pay for it, but at least you don't have to go hunting for a new stove yourself.

Teacher:

Sure, but this "bigger picture" you refer to, well, you're going to have to pay the franchisor to take care of that.

Student:

That's true, and that's one of the downsides of owning a franchise – you've got to pay royalties every month whether you make a profit or not, and even when you first buy a franchise there is an upfront joining fee. You would definitely save yourself this money if you were independent.

Teacher:

So what would you recommend I do, especially with your experience of managing a franchise?

Student:

I think there are more advantages to having a franchise than having your independent restaurant. Just think, you can get into the market quickly, everyone knows your name and trusts your product, there are thousands of other franchises like yours that are successful, so you can go to sleep at night without having to worry if your own independent fast-food place is going to be successful or not. It's just safer and easier all around. I would definitely recommend that you buy a franchise.