

Turning a business into a franchise in the UAE: Retail Consultants YRC drops a few insights

YRC is an emerging retail and eCommerce consulting brand with a scaling presence in the UAE.

DUBAI, DUBAI, DUBAI, September 28, 2022 /EINPresswire.com/ -- With a decade-long experience, YRC has been a seasoned [franchise business consultant](#) for numerous clients. YRC's team of omnichannel consulting professionals has worked on diverse franchise business expansion projects. In this communiqué, the team offers insights into turning a business into how to turn a business into a franchise in the UAE.



Why Franchise?

A business seeks growth in numerous organic and inorganic ways. Franchising is one of the inorganic business expansion strategies. But before a business plunges into franchising, they need to ask if this is the most suitable strategy to seek growth and expansion of the business. YRC's retail consulting experts recommend businesses to first rigorously evaluate the decision to franchise their business.

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YRC is a Management Consulting Company, especially for the B-C Sector. Empowering Retail & E-commerce businesses.”

Nikhil Agarwal

The maturity of a business enterprise is also a critical consideration here. Before a business decides to expand

via franchising, a certain level of internal maturity is desirable. For example, without a robust operational framework for its own operations, it becomes difficult for a franchisor to prescribe the same for its franchisees.

Regulatory Environment

The UAE offers a business-friendly environment. But that does not entitle a business to be lenient in complying with the applicable laws and provisions. In the UAE, there is no standalone or separate piece of legislation. The franchise working arrangements are governed by the UAE Commercial Agencies Law. Certain important points are that the franchisee must be a national of the UAE or an entity wholly owned by UAE nationals, that the franchise agreement must cover over all or a part of the UAE, and those agreements must be notarized. This is not a comprehensive representation of the regulatory environment governing franchise business in the UAE (<https://www.yourretailcoach.ae/services/franchising-your-brand/>). It is strictly advised that businesses consult qualified legal experts on the subject matter.

Market Research

Among many other objectives, a good market research helps businesses assess the potential demand levels to justify franchised expansion. The anticipated rise in business volume and revenue must justify the costs of implementing franchising. For instance, a soft drink brand may think of franchising the rights for manufacturing and distribution to franchisees in other states. But all the states may not show the required demand potential to make the franchise profitable. This is where market demand helps in the selection of a more prospective market.

Franchise Business Model

Understanding the local market and consumer behaviour is vital for both franchisors and franchisees in realigning the value proposition. A default offering may not perform the same everywhere. The next important requirement is the mapping of the value chain via which the franchise would create and deliver the intended value. For example, if it is a product/distribution franchise, both the franchisor (say based in Dubai) and franchisee (say based in Abu Dhabi) need to work out the supply chain. The key activities and key partners have to be identified. All these aspects are addressed in franchise [business model development](#).

Franchise Business Plan

Financial planning is yet another crucial aspect of franchising. It has commercial and financial ramifications for both franchisors and franchisees. Franchise business planning involves assessing the financial requirements and determining the commercial viability of the proposed framework of the franchise business. For example, franchisors need to determine the pricing model for selling franchising rights. On the other side, such costs are long-term investments for the franchisees. They need to sort out the sources of funding and plan the repayment schedule for such long-term investments. As an [online business consulting firm](#) with more than 10 years of experience, YRC maintains that lack of proper financial planning often becomes a source of conflict between franchisors and franchisees.

Franchise Partner Selection

Knowledgeable and experienced franchise development consultants preach that the compatibility between business partners/entities plays a big role in the success of collaborative businesses. This is applicable in franchising also. It is important for both franchisors and franchisees that they exercise discretion in selecting their business partners. They both have unique business necessities. Those necessities must come at an alignment. For instance, a franchisor may seek that its potential franchisees must be located at certain specified locations. Thus, a planned selection process regulated by policies and procedures (SOPs) helps businesses achieve this goal.

Franchise Operations Manuals

Having franchise operations manual benefits both franchisors and franchisees. It gives a platform to franchisors to include the operational requirements into the processes executed by franchisees. These manuals serve as operational roadmaps for franchisees and their employees. Monitoring and supervision of business operations become easier when the workflows are defined and expressed in the operations manuals.

Two other important aspects are franchise agreements and franchise auditing.

For more insights into how to turn a business into a franchise in the UAE and YRC's franchise business consulting services or for a quick conversation with one of our franchise business consultants, please visit <https://www.yourretailcoach.ae/>

Get advise for E-commerce retail business : <http://www.yourretailcoach.ae/contact-us/>

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