

A Flair for the Exotic- Should You Buy a Foreign Franchise?

There are many benefits to owning a franchise?from the corporate support you'll get to the established reputation and customer base the company already has. And while everyone knows that Starbucks is establishing itself in every corner of the globe, you may not know that foreign franchises have also planted themselves on US soil, and are beginning to flourish. So is a foreign franchise right for you?

There's definitely higher risk involved with purchasing a foreign franchise. Americans certainly aren't as familiar with Pollo Campero as they are Quiznos. But there are also benefits?think less competition and, often, lower franchise fees. So if you think that this could be a groundbreaking and interesting venture, read on to learn the pros and cons of foreign franchises.

The same as if you were thinking of buying a Dunkin' Donuts, you'll want to check out the franchise you're looking to buy. Contact the corporation and request pertinent materials. Check the stock market to see if the company is public and how it's performing. And check out their record in foreign countries other than the United States.

While foreign franchises work similarly to US franchises?with disclosure prerequisites and the Uniform Franchise Offering Circular, you'll also need to contact the U.S. based master licensee to evaluate current U.S. performance. You'll also want to get a feel for whether or not the master U.S. licensee is fluent and knowledgeable enough to offer you the same kind of corporate support you'd get with a U.S. franchise.

You'll also want to consider whether or not the franchise you're considering has the potential to be successful in the geographical region where you hope to open it. If you live in New York, for example, where super-huge pizza-by-the-slice reigns, opening a Cruji Coques pizza franchise might not be the wisest decision. Conversely, health-conscious, adventuresome Californians might go crazy for the seafood and vegetable combinations served up by Paellador. Consider everything from your audience's tastes to their income levels to their social behaviors, and use both street smarts and research to support your decisions.

Buying a foreign franchise is as exciting?you're a pioneer in your industry, bringing the world to America. It may give you the opportunity to change the marketplace by introducing business concepts that don't even exist in the United States. So if you have an entrepreneurial spirit and a quest for adventure consider a foreign franchise and get off the beaten path!