

Franchise

Entrepreneurship 12

Franchise

- Parent company <-> franchisee
- Parent company will help franchisee with start-up
- The franchise also takes care of marketing and other big-picture things regarding the business
- Can charge a start-up fee

Franchisee

- Someone who buys into a franchise
- Wants to start a business but doesn't want to start from scratch
- Has to pay a start up fee
- Owns individual store
- Pays a cut to the parent company (franchise)

Licensing

- New store owners can “borrow” an existing business name
- Names of business, logos, etc
- Owners pay royalty to parent company
- The parent company will not help you out as much as they would with franchisees