

Franchising – specialist advice homecare business

Business format franchising, where a franchisor grants a licence to a franchisee entitling them to operate their own business under the franchisor's brand, systems and business model, has been a very successful model to adopt in the domiciliary care sector.

Many brands operate through franchise models, including Home Instead Senior Care, Bluebird Care, Carewatch, Everycare, Kare Plus, Radfield Homecare, Right at Home, SureCare and Heritage Healthcare, to name but a few. When I did a review of the sector last year, I found nearly 70 businesses offered a franchise opportunity to a greater or lesser extent.

It can appear from the outside that anyone can franchise their homecare business but often the external growth and success belies the work and development time –

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Interested in franchising your homecare business? Consultant Pam Gordon of The Franchising Centre offers some valuable advice on this important step.

and money – that has gone into franchising the business. Nothing comes easy in life and franchising anything including a domiciliary care business proves that.

Sometimes homecare providers view franchising as an easy route to rapid growth and many try to franchise without advice and any infrastructure planning – just copy other existing care franchises.

The truth is that many businesses that decide to franchise have underestimated what it takes to franchise successfully. The key issues are;

- How long it takes to recruit the right type and numbers of franchisees.
- How to develop or acquire the right management and development skills as a franchisor.
- How much time and investment it takes to franchise.

As a consultant, when I work with a business that wants to franchise, I start by asking about the following things:

Why do you want to franchise?

What ideally the aim should be is a long-term strategic plan for the business with a view to succession planning, growth and/or exit.

But often the answer is that a member of staff has asked to be their franchisee or that they prefer not to manage staff and think building a franchise would be 'easier'. Managing a franchise network is far from easy as many of the franchisors I've worked with will tell you – it's different but not easier.

Don't do it just because you've had interest; franchise your business because it's a strategic plan otherwise it's a half-hearted, unplanned commitment and can often end up with you just having one or two franchisees and not the network that anyone initially imagined. Plan for success.

Can you trademark and what IP do you hold?

You may have a very successful operation, but can you prove what is unique about that business to be able to have any intellectual property (IP) assigned and used? Do you have a name and brand that can be trademarked? Often in care the business name is too generic, so you can't register it as the wording is too descriptive or generic. Ideally



Pam Gordon

a franchisor wants to be able to trademark the wording of the business name as well as the 'logo'.

There are specialist lawyers who can help protect your IP and trademark and also work with you in developing a franchise agreement. (NB: A franchise agreement is often the last thing you need to do in developing a franchise. Until you have a franchisee ready to sign, save your money.)

Do you have a proven business model?

When I work with a business to franchise, I ideally want at least two years trading history, so we can see any seasonality issues and start to understand how the business grows and costs develop over a longer trading period.

In the care sector it can also be useful to be trading in more than one location to prove that there is a model to follow and not just the 'luck' of that one location.

Do you have documented systems and processes?

Because domiciliary care is a regulated sector you will hopefully have policies and procedures in place to



The franchisor must be careful not to take too much from the franchisee's business, so they are retaining enough profit to be successful and continue to grow.

Specialist advice is crucial to franchising your business

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strong and try to hold out for the right people for your network.

Prospective franchisees will have to have DBS checks and often credit checks to ensure they are a fit person to run the franchise.

When I was part of a homecare franchisor, I was able to start to profile (psychometric testing) our franchisees to be able to build a model of what success might look like in a franchisee, from those who had already started. It also helped to start to profile for team members so that the branch had complementary skills within it to make it successful. A franchisee might be a great business developer, but not so good at administration, so the care manager would need to have a complementary skill set.

Why do franchisees buy homecare franchises?

Often, potential franchisees are from a corporate or business background, and want to work more locally and give something back to their community. They may also have experienced homecare in the



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context of care for a loved-one and feel they can do that job well themselves.

Buying into a franchise can be a safer route into a regulated sector and provides support, a brand and training. Potential franchisees can, however, lack understanding about the reality of the sector, including its 24/7 nature. So, it is about having a realistic franchise recruitment process, so people understand what sector they are coming into, and the rewards at the end – not only financially but also in providing an essential service.

Future proofing and commitment to research and development

In the homecare sector, more than other franchise sectors, there needs to be a commitment by the franchisor to ongoing development and ensuring the model meets current

and future regulatory requirements. The commitment needs to be in the form of new ideas such as specialist care, investment and testing marketing strategies to get customers or staff, and new technology to support the franchise network. If the franchisor business falls behind the times then so will all the franchisees.

In summary if you are going to look at franchising do consider the options carefully, and get the right advice. There are specialist advisors in franchising and the care sector who can help you to look at whether your business could be franchised.

A good consultant will guide you to become a successful franchisor by supporting you to put in systems and processes, and guide you in the use of those systems to find the right franchisees and staff for your business, as your business develops.

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