



APPLIES TO ACADEMIC YEAR 2014/2015

ELE 3759 Franchise

Programme

Elective

Responsible for the course

Jan Ivar Fredriksen, Ragnhild Silkoset

Department

Department of Marketing

Term

According to study plan

ECTS Credits

7,5

Language of instruction

Norwegian

Introduction

Well known brands, such as Wayne's Coffe, Ben & Jerry's, Subway, 7-Eleven, McDonalds, Rema 1000, Topshop, Match, Økonor, Aktiv Eiendomsmegling, Avis, Hertz, Grete Roede and Choice Hotels are all examples of brands that are developed through Franchise as organizational system.

Franchise is among the most used forms of organizations which is based on market-based management. Franchise is known for its central management of brand development and education, combined with local sales, and distribution and service to end customers. Today franchise can be found in a variety of industries, such as retailing, B2B, cars, real estate, and personal services, to education, hotel and restaurants, to mention some.

Participants in this course in franchise will gain theoretically knowledge, practical skills, and analytical capability to be able to succeed within franchise. The program combines theoretical and practical knowledge through lectures, cases and experienced guest lecturers from the industry.

This course is relevant for persons who:

- want to run their own franchise unit
- want to work with the management of franchise chains
- want to work at the head quarter of a franchise chain
- work within an industry that is relevant for franchise.

The course is well suited for franchisors in public and private industry, within product and service markets, consulting, entrepreneurs,

in addition to business- and consumer markets.

Learning outcome

Acquired knowledge

After completing the course, the students will have:

- Gained knowledge about the most relevant perspective theories that give an insight to franchise systems.
- Gained basic knowledge and be familiar with the newest research within franchise.
- Gained basic knowledge within operation and developing franchise systems.
- Developed an understanding of how external factors influence operations and the monitoring of franchise units.
- Developed the insight necessary to recruit and train franchisees.
- Knowledge of the newest international trends in developing and operating franchise systems.

Acquired skills

On completion of the course the students will know:

- How to use tools that develops a franchise concept as a brand.
- How to create, establish and monitor a franchise system.
- How to account for how a franchisor works in relation to a franchisee.
- How to monitor success and failure of a franchisee, and how to terminate a contract in an ethical manner with an unsuccessful franchisee.
- How to operate and develop an international franchise system.

Reflection

On completion of the course, the student will

- Be able to see the value in franchise as a form of organizational structure that creates mutual value for the end user, the franchisee and the franchisor.
- Be able to see the whole picture and the importance of continuous cooperation.
- Be able to see the importance of a solid, harmonious and financial secure situation for the parts in the agreement.
- Be able to create awareness at all levels that every element in the franchise system is equally important.

Prerequisites

There is no prerequisite for the course

Compulsory reading

Books:

Lunnan, Randi og Arne Nygaard. 2011. Strategiske allianser. Fagbokforlaget. 202 sider

Nilssen, Børge. 2009. Franchise: Verdøkende samarbeid mellom selvstendige parter. 2. utg. Fagbokforlaget. 166 sider

Recommended reading

Books:

Duckett, Brian and Paul Monaghan. 2011. How to franchise your business : grow your business by creating and managing a franchised network. 2nd ed.. How To Books

Nathan, Greg. 2009. Profitable partnerships. 7th ed. Franchise Relationships Institute

Other:

Nilssen, Børge. 2013. Konseptrådgiveren. Effectum Franchiseconsulting

Course outline

- The history behind and the development of franchising as a concept.
- How to develop a franchise system, including choice of pilot.
- Brand building through franchise
- Marketing to generate profit, draw new franchisees and make them participate financially
- Franchisor start-up and on-going support service.
- Recruit, select and train franchisees.
- Franchise fees.
- The challenge of free riders within franchise.
- Franchise relationships and how to avoid conflicts and misuse.
- Franchise concepts for scale advantages, market and efficiency benefits.
- Franchise concepts for creating international value.
- Case studies

Computer-based tools

No special computer tools and/or programmes are required on the course.

Learning process and workload

The course will be conducted as a process-learning course with classroom lectures, individual assignments, group tasks and individual/joint supervision. The course is practical-theoretical in the

sense that theory is discussed through real cases. Students choose and are guided by supervisors and operators from industries of interest, which will be discussed and used for assignments.

We will choose a case from the beginning of the course to create an understanding of the most known elements of franchise:

1. From idea to franchise concept.
2. From local business to franchise concept.
3. From self-owned branches to an effective franchise concept.
4. From retail distribution to a solid franchise concept.
5. From cooperation to a franchise concept.

The criteria for success are the same in all situations whilst the difference will be in development and change management. The course is will cover all these different aspects.

Recommended time schedule

Activity	Hours
Lectures	36
Preparation for lectures	33
Case studies and teamwork	65
Study groups and fellow student guidance	26
Self-study and final preparation	40
Total	200

Use of hours

Examination

The course is completed by a written project over 12 weeks due 2 weeks after the lectures are finished.

Examination code(s)

ELE 37591 written project counts for 100% to pass the course ELE 3759 Franchise operation and market management 7.5 credits.

Examination support materials

All support materials are allowed.

Re-sit examination

A re-sit examination is offered in connection with the next regular course.

Additional information