



Worksheet 147 – Expansion, franchising and licensing

Expansion, franchising and licensing.

If you're looking at any or all of these things that's great news.

Your business is flourishing and now you want to grow even more.

But deciding how to accomplish that is no easy task.

Each of those three options can be extremely complicated to achieve.

Today we're going to talk about each of those three options.

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Decide how to expand

There are a number of ways to expand your business. You could hire new employees or buy a new piece of equipment. Or you could expand into an entirely new market by purchasing another business. Here are the things you need to have in place before you take this big decision:

1. Planning

If you haven't planned out the expansion you are going to be in trouble. Planning can mean everything from how the business will operate in a new location to ensuring you have the right tax structure in place

2. Fixing problems

Any problems you have now are going to get worse as you expand. If you have cash flow problems now it's going to be even harder after expansion.

3. Staff

You 're going to need more employees if you get bigger. Different people means more complications. You need to carefully think about who you are hiring and how they are going to work with your current staff.



What are some of the problems you have to fix before you expand?



Franchise or license

The **franchise** model was developed in the United States and other Western countries to allow entrepreneurs to expand a business by essentially leasing the intellectual property to another operator.

The IP and branding remains under the control of the original businessperson while the new business is operated by the franchisee.

Licensing, meanwhile, allows another businessperson access to your IP and branding.

The difference is that the original owner maintain very little control over the new business.

If you are going to license your IP to a new business but demand a lot of control over that new business you are actually a franchisee.

You can be liable for any disputes in the future.



Write the pluses and minuses of expanding by either franchising or licensing your IP.

BusinessLegal : Lifecycle

Learn more by ordering the book

Whether you want to have a large company or a small lifestyle business, you must pay attention to the legal aspects right from the start.

The Business Legal Lifecycle is a handbook for you to use in your business on a regular basis.

The key areas that Jeremy Streten covers in the Business Legal Lifecycle are:

How to successfully set up your business

Why and when you need to pay attention to the legal aspects of your business

Who you should consult with along your business journey



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