



BE YOUR OWN BOSS

TIRED OF WORKING FOR
SOMEONE ELSE'S DREAMS?

A NEW WORLD AWAITS YOU.



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YEAR 2012

Bringing Good Franchise Opportunities

The vision for the 2012 business outlook is providing enough good reasons to consider opening a franchise in the coming year. The predictions for the economy of 2012 are inconsistent in comparison to 2011, but still many of the companies are targeting pinnacle of growth to achieve. The reason behind setting of such objective for 2012 which is particularly a good time to own a franchise is as follows:

CREDIT LOOSENING

The franchising industry is growing good as compared to past decades. It has proven to be a good business model amongst other business model as according to the statistics it is growing @40%. It is offering aspiring and existing entrepreneurs an opportunity to control their own destiny in a still challenging job market. Looking upon the growth potential for franchising industry, banks and other financial institutions are loosening up the credit limit and its easy availability to the needy entrepreneurs. Thus it can be said that, franchising has a long way to go.

MORE WAYS TO FINANCE A FRANCHISE

In this competitive era when there is so much cut throat competition amongst banks to grab maximum of the business at best possible deals from the market, more and more players with different financial products are coming in the scene. There already exist so many modes of financing business ventures. Entrepreneurs may choose any one of the competitive mode of financing according to their preference.

COMMERCIAL SPACE IS AVAILABLE

Given low interest rates and market space available, it's a buyer's market not only on residential homes but commercial leases as well. The possibilities of getting a good deal at a great location in terms of commercial space are better now than when the economy is in full steam. Therefore, leasing of commercial space has become easier and cheaper now.

FRANCHISORS ARE HELPING WITH INITIAL AND ONGOING EXPENSES

In this competitive age, franchisors are providing luring services to the franchisee's to lure them to join and partner their business. For those prospective franchisee, who are falling short of finance, franchisors are making it more affordable and offering more support to own a franchise.

PLENTY OF TALENT TO HIRE

Given the state of unemployment, it's a great time to hire talent. Franchisees can pick up some well-qualified workers who may not have been available otherwise. Some franchisors also feel it's their responsibility to provide jobs. By creating multiple employment opportunities, franchising industry is utilizing the knowledge of skilled persons for their profitability and brand enhancement. This way even it is an opportunity to the unemployed people to harness their skills for the betterment of industry and economy as a whole. Ultimately franchising industry is helping to rebuild the economy.



THE
FRANCHISE

FROM THE CHAIRMAN'S DESK



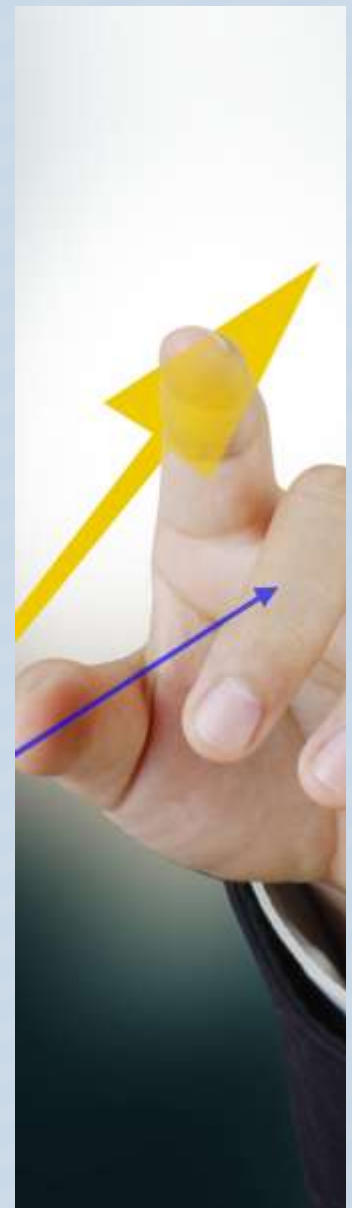
Gaurav Marya

Dear Friends,

Let me take this opportunity to introduce you to IFA's Newsletter - Fra(n)ews. With Fra(n)ews, we aim to bring forth the latest developments taking place in the franchise sector, thereby increasing awareness in the franchise community. This newsletter would also act as a platform for all the start-ups as well as established brands, to showcase the business potential and seek potential franchisee's attention.

It's my sincere hope that Fra(n)ews would successfully help in disseminating franchise knowledge to the entire franchise fraternity. In addition, I strongly believe that it would assist franchisors in reaching out to their potential investors, and in turn aid the aspiring entrepreneurs to get their desired brands.

Gaurav Marya
Chairman
Indian Franchise Association(IFA)



CURRENT TRENDS IN FRANCHISING INDUSTRY- GROWTH EXPECTED IN 2012

India has been on the minds of many businesses and franchises looking for international expansion. With a population growing faster than that of China and a quickly expanding middle-class of consumers, India is poised to offer great financial gains to those who venture into the region. In the same regard, the following are few of the current trends of franchising industry reflecting out the mindset and thoughts of people in the industry.

INCREASING PREFERENCE FOR BRANDS & FRANCHISING

India has been declared as the second most popular country for retailers amongst 30 emerging markets in the world as people in the country are increasingly getting attracted to brands and therefore we shall see conversions of standalone businesses into franchisees.

MORE ONLINE ACTIVITY

With the launch of 3G services, increasing broadband penetration, Brands will use the internet especially social media more actively for business promotion both, for franchisee acquisition and customer acquisition.

INCREASING RENTALS

With the real estate market crossing its previous highs before the slowdown, increasing rentals will be there for choosing a good location for the franchising outlet.

NEWER MARKETS FOR FRANCHISOR

The internet and satellite TV has made small town India more aspirational. Thus franchisors would be opening franchisees at new locations in smaller towns which would earlier not be considered a market for their brand.

INCREASING AFFLUENCE

The economy has recovered and India is more aspirational with more global exposure and deeper pockets resulting in more premium products that will be launched in 2011.

NEW CONCEPTS EXPECTED

New ideas based on changing lifestyles such as healthy eating, shortage of time, shifts to nuclear families, increasing single parents etc. will emerge as they cater to niche requirements of the society.

NEED BASED BUSINESSES TO BE IN DEMAND

Learning's from the recession is that need based businesses such as education and healthcare will continue to grow irrespective of the economic cycle and are a safer bet than luxury brands which can experience big swings in their demand thereby making them risky investments for new franchisees to enter.





Diviniti aims 15 stores vi Franchising

Diviniti, a corporate and religious gifting product brand is plans to open 15 stores in New Delhi via franchise model. Presently the brand has three franchise stores in the capital itself. The brand offers a wide range of multiple occasion gifts such as corporate, social, religious, marriage ceremonies, personal gifting, etc.

The exclusive range of gifts embrace car frames, table top frames, wall hangings, card holders, pen stands, desk top accessories and other utility products such as jewellery box, photo frames, candle jars, etc. Each product is accompanied with lifetime warranty of 24 carat gold plated foil.



Red Ginger aims 300 outlets by 2017

Red Ginger Hospitality, a multi brand restaurant company one of the participating brands in Franchise India 2011 is planning expansion in India. The company is aiming to add 50 to 60 stores pan India every year in the next five years. It expects to have 300 stores by 2017. This was disclosed by Gaurav Ahuja, CEO, Red Ginger Hospitality during his presentation at 2011 Summit Entrepreneurship. The company is the owner of four brands; Cultures World Cafe, Mad about China, Madras Mail and Indian Tadka seeks franchisees in food courts and malls.



Cookscape plans to expand PAN India

Cookscape a one-stop kitchen store offering comprehensive kitchen solutions is planning pan India expansion via franchise route. Owned by Orchid Designs Pvt. Ltd, it is 11year old company, with 14 showrooms, predominantly in south India.

The kitchen store offers the entire range of modular kitchens and kitchen products, all arranged and organised in the most convenient and user friendly manner. The various products that encompass Cookscape are modular kitchen systems; kitchen accessories; kitchen counters; chimneys and kitchen hoods; built in hobs, barbeque, deep fry; cooking ranges, dish washers, etc.

K. Chandrasekaran, Chief Executive Officer, Orchid Designs Private Limited states: "The company has drawn up its ambitious plan to reach out to many customers who are in need of modular kitchens across India. We quest for achieving our objective to increase the network of showrooms." The company has tied up with Baumatic, a UK incorporated company and EWE, an Austria based company for imported kitchen products. The brand has tied up with FRANCORP a part of Franchise India Group to strategise its expansion path in India.



Foreign F&B brands eyeing India:

More than thirty international food chains are planning to foray into India via franchise model. Among those entering are Loon Tao, Berrylite, Shawarma Xpress, Ci Gusta, Kenny Roger Roasters and Sarpino's Pizzeria.

Ci Gusta, an Italian brand which deals in ice-creams, gelato and pastries will be entering India early next year. In the initial stage the company will target only metros and large cities. Ci Gusta has signed an agreement with Franchise India and Octagona, in order to bring the brand to India and other thriving Asian countries where there is a possibility to enjoy and appreciate authentic Italian food. Sri Lanka-based Chinese sea food chain Loon Tao is set to expand via franchise route in India. Wherein, Sarpino's Pizzeria a Canada-based brand is seeking for master franchisees in India for expansion. A Bahrain-based brand Shwarma Xpress is looking for master franchisees for pan India expansion. The brand already has its presence in Italy, Bangladesh, Sri Lanka and Dubai. Berrylite a yogurt brand based in Singapore plans to enter India in 2012. The company will expand in India through Master Franchise model and targets to launch about 150 stores in five years. The company is offering two business models kiosks and café formats in India.



HOT OPPORTUNITY of The Month

FranConsult

India's first largest consulting service specializing in franchising

POWERED BY
Indian Franchise Association



Franchise your current business

Franchise development program, a complete head to toe service provider in launching your brand and establishing its presence in the Indian Market

Services offered:

- Development of the franchise Model
- Legal & Regulatory Guidance
- Business Plan formulation
- Operations and planning
- Brand start up support
- Measurement of the performance
- Planning the marketing mix
- Franchise recruitment and retention

Franchising benefits:

- Zero initial investment
- Easy ,Risk free approach to business
- Increasing sales
- Expansion of business reach
- Strengthening brand image
- Controlled Expenditures

We would help you convert your existing business into a franchise business by providing expert consulting , planning, legal, marketing and technology solution.



Strategy



Legal



Operations



Marketing



Sales



Training

For more details please contact:

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Download Proposal



**IN AN EXCLUSIVE INTERVIEW
WITH FRA(N)EWS, SUNIL
BANSAL, CEO, SAFAL,
ELABORATES ON THE
COMPANY'S PERFORMANCE
AND ITS EXPANSION PLANS.**

Q. Where and how did the concept of Safal come into existence?

A. The Government of India formed a working group to benefit fruit and vegetable producers on one hand and the urban consumers on the other. The group working on 'Perishable Agricultural Commodities' suggested in 1981 that this change can be best managed by an organisation that has the experience and capability of handling commodities that are perishable and of daily need. The National Dairy Development Board took this challenge upfront, as they had adequate experience in bringing about such a transformation in another similar sector i.e., milk. The proposed project of NDDDB of SAFAL got a final go-ahead from the Ministry of Agriculture in 1986. A humble beginning was made in 1986 to test the feasibility in a rented premise catering to 12 retail outlets. At the same time, an infrastructure, internally known as the Central Distribution Facilities, was created on 22 acres of land located in an industrial area of Mangolpuri in the western part of Delhi. In a record time of 15 months, the entire operations were in full-fledge action on the new premises in 1988. It today caters to over 400 retail outlets in Delhi NCR with sale of 350 + MT of fruits and vegetables every day.

Q. What does your product offers and how is it different from its competitors?

A. At Safal outlets, you can get comprehensive offering of most needed food items for a family under one roof. They are:

- ▶ Fresh fruits and vegetables
- ▶ Safal's range of processed foods like jam, ketchup, juices, nectars, drinks, pickles, etc
- ▶ Milk and milk products under Mother Dairy brand
- ▶ Edibles oils under Dhara brand
- ▶ Staples, bakery and snacks items

We, at Safal, work towards providing our consumers fresh fruits and vegetables. We practice and promote use of chemical-free, safely ripened fruits. Fruits and vegetables are sourced predominantly from known procurement sources. They are well below the stipulated limits of harmful insecticide/pesticide/heavy metal residues and are free from colouring chemicals. We ensure safety by following Good Agricultural Practices (GAP) and provide analysis for presence of heavy metal and pesticide residues.



500,000 Plus Loyal Consumer Base



Q. What practices and initiatives have been introduced by your company?

- A.**
- ▶ Safal has always been working towards sustainability. We have established a strong and robust supply chain, covering 16 states, about 50,000 farmers and over 200 farmer associations.
 - ▶ We have advanced crop production techniques (wide bed technology, deep chiseling, etc).
 - ▶ Propagation of Integrated Pest Management (IPM), thereby, reducing the use of harmful chemical insecticides and pesticides
 - ▶ Promotion of neem-based products, which minimise the chemical load on soil and improves the soil health
 - ▶ Standardisation of fruit and vegetables' quality into different grades, packaging and transportation
 - ▶ Safal was the first to introduce use of plastic crates in fruit and vegetable business in India.
 - ▶ Safal also introduced electronic weighing machines in fruits and vegetable retailing
 - ▶ There is also a wide range of minimally processed fruits and vegetables for customers.

END TO END VALUE CHAIN

Backward Linkage



Processing



Forward Linkage



Q. How long did it take to break even and how did you sustain yourself till you achieved that?

A. Fruit and vegetable retailing in an organised way is a very difficult job. Safal is now in this business for over two decades and its entry was way ahead of time. The concept of organised retailing in India at that time was not prevalent. Doing it in fresh fruits and vegetables was even tougher. However, over the years, Safal has learnt the nitty-gritty of the business, both in front-end and back-end, which has now become standard for the industry and resulted into robust Safal model.

Safal is working towards a socio-economic cause. Our mission is to facilitate a direct link between fruit and vegetable growers and consumers. We provide quality produce, products and services aimed at delighting the consumers on one hand and improving the quality of life of farmers and producers by providing expert guidance

500,000 Plus Loyal Consumer Base



Q. At what stage did you find your business ready to take off to the next level?

A. Over the period, Safal could establish nationwide robust supply chain network, which is the most critical part of this business. To leverage the resources and capability it had developed over the period, Safal wanted to replicate its proven model in other cities and launched another path-breaking pilot project at Bangalore in year 2005, which is called 'Safal Auction Market.' Before that, Safal also extended its business line to processed fruit and vegetable pulp and concentrates in year 1994.

Q. What has been your experience with hiring your first employees and building a team?

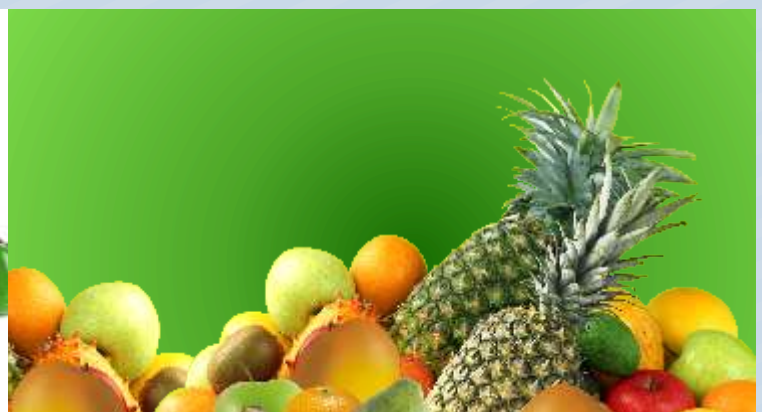
A. The project started in 1988 on a pilot basis. The initial team was a good mix of young and experienced engineering and agricultural graduates. As the business concept was novel, the whole team was excited and eager to deliver. Managing and building a team, which is aligned with organisation's vision and mission, is always an enjoyable experience. Most of the members of initial team are still working with the organisation and feel proud to be a part of this successful business.



Q. What is the criterion for selecting franchisees?

A. We are looking for dynamic, enterprising and passionate entrepreneurs to join hands with us. We seek concurring franchise partners and look for the following attributes in them:

- ▶ Business acumen: Entrepreneurial skills with favourable business attitude
- ▶ Passion for retail: Committed towards efficiently delivering day-to-day F&B Retail operations



500,000 Plus Loyal Consumer Base



- ▶ **Strong credentials:** High personal standards, excellence, honesty and integrity
- ▶ **Balanced perspective:** Inherent motivation to balance immediate profits with sustainability
- ▶ **Site selection:** Proper location with approx 400 sq. ft space and easy accessibility
- ▶ **Experience in F&V retailing:** Not mandatory
- ▶ **Effective compliance:** Compliance with standard policies/operating manuals
- ▶ **Investment :** Approx Rs 5–6 lakh

Q. What kind of training and support does a franchisee gets after partnering with your company?

A. As a responsible franchise leader, Safal is dedicated towards creating a successful franchise channel and providing comprehensive support to its partners:

- ▶ **Training programmes:** Extensive training support pertaining to operational, administration, sales and marketing activities.
- ▶ **Standardised operations:** Centralised purchase, warehousing and supply of goods, to maximise efficiencies and reduce costs through economies of scale.
- ▶ **Accounting/audit/legal:** Direct reporting to our administration department responsible for the financial and legal oversight.
- ▶ **Marketing support:** Assistance in development of advertising materials and strategies, which include marketing plans for local area.
- ▶ **Field support:** A dedicated member of our support staff will visit you regularly to resolve your issues.



ABOUT US

AVAIL MEMBERSHIP OPPORTUNITIES WITH INDIAN FRANCHISE ASSOCIATION



Indian Franchise Association is India's premier, non-political, not-for-profit body representing Indian Franchise Sector. IFA's endeavor is to promote, promulgate and popularize the concept of franchising as a mode of doing business across the industry verticals and to nurture the entrepreneurial skill of every Indian.

IFA Services

FranRecruit

India's first Professional Recruitment Service exclusively for the Franchise sector.



A bi - monthly e- bulletin covering every aspect of the franchise sector.

FranConsult

Provides head to toe Franchise Development Program Services.

FranExim

Delegation @ India vis a vis Globally

FranLegal

A customized legal solutions provider to the entire Franchise Fraternity.

FranArbitration

A third Party Dispute Resolution Provider.

FranMatch

A match making division between the franchisors and the franchisees.

FranAdvocacy

Recommending issues of the Franchise Sector to the Policy Makers.



India's first Certified Franchise Executive Program.

WebServices

One of the largest referred franchise sites
www.franchiseindia.org

SignatureEvents

An unparalleled business development and networking platform that offers a series of franchise & retail based shows such as Frantalk, FRO, BOS, IEC, CEO Forum.



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Mobile: 08860084182

For FranRecruit, a Professional Recruitment Service, please contact: Zarreen @ 9350653111 or at services@franchiseindia.org

Branding Opportunity: Outshine your competitor by positioning your brand at Franchise India, IFA Newsletter or at IFA website www.franchiseindia.org
For branding Proposal, please write to services@franchiseindia.org



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