



3 MUST-KNOWS

BEFORE INVESTING IN A FRANCHISE

CLUBTAN

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Joining a franchise can be both profitable and fun if you like active investments and you're looking for a second income. The concept offers some degree of entrepreneurship, but in a more operational and administrative way than if you're building your own brand from scratch.

And if you like networking in addition to operations and administrations, you could consider becoming a master franchisee.

Being a master franchisee can be seen as an active investment in which you're responsible for recruiting franchisees within a specific geographical area.

You can also choose to take on the role of both the master and regular franchisee if you want to put in the extra few hours while still recruiting other franchisees.

Whether you invest in a master franchise or a regular franchise, it comes with a lot of benefits.

You join in on a tried-and-true concept with all the advantages this brings:

- The concept and brand have already been developed
- The supply chain is already there
- Someone else has already made the mistakes so that you'll avoid them
- You're supported by a back-office that knows the concept

In the following guide, we'll go through the 3 most important things to know before taking on the role of either a master franchisee or a regular franchisee.



#1

WHAT AREA ARE YOU GOING TO COVER?

You need to ensure that the geographical area which you're given with the investment is big enough for you to profit on the business. How many citizens live in the area? And how many of them are within your target group?

You need to make sure that the numbers are realistic and that you see potential

in opening your franchise shops in the specific area.

This goes for master franchisees too, as they will have to recruit enough franchisees to both cover the area sufficiently and make sure the franchisees can open enough shops.

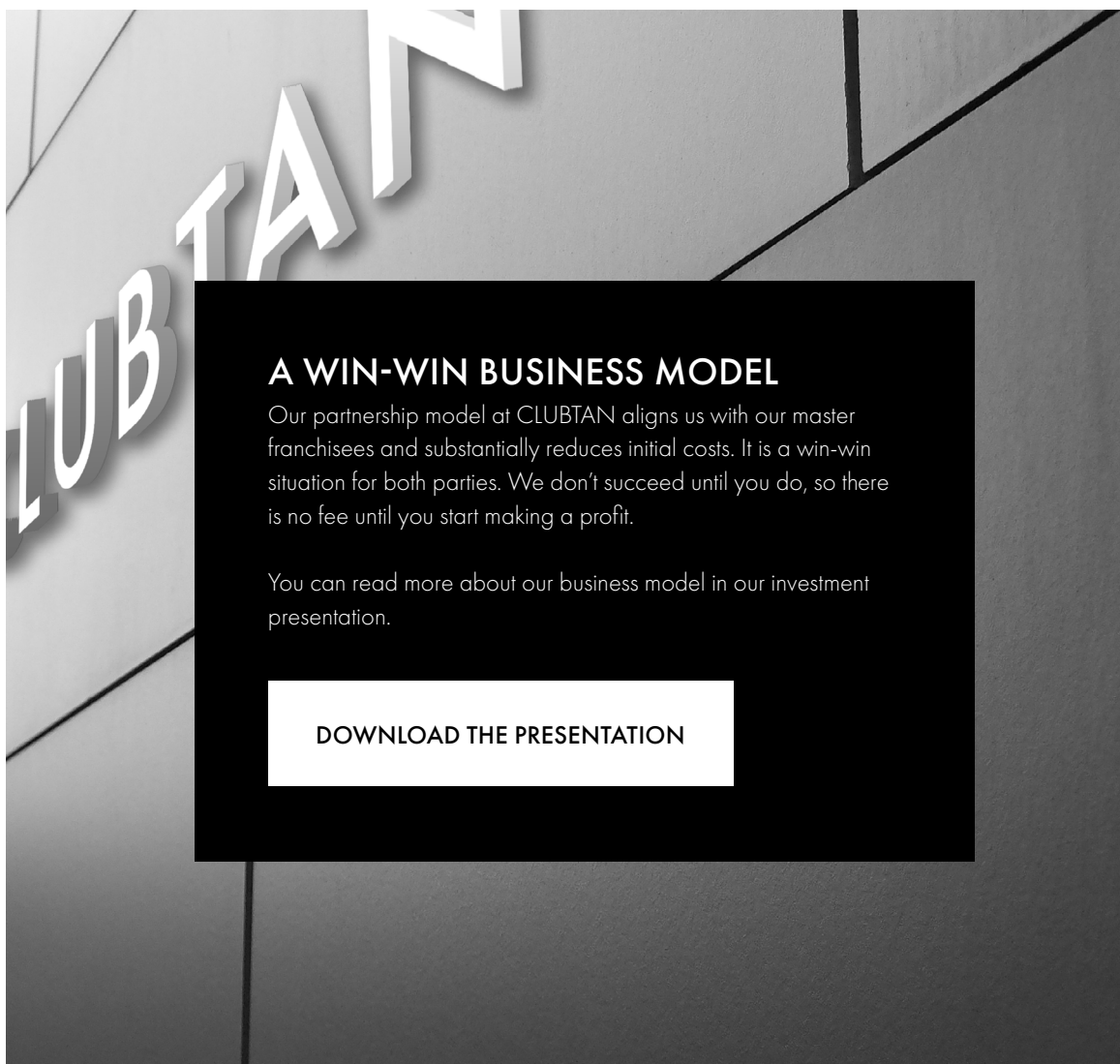
#2

WHEN AND HOW DO YOU PAY YOUR FRANCHISE FEE?

Another thing to check before investing in a franchise, is whether you must pay a franchise fee before you start making a profit.

In some cases, franchise fee has to be paid with disregard of negative financial results. While this might not be a deal-breaker to everyone, it's important to know that it isn't the case with every franchise.

Some franchisors have expensive entry fees that make it lucrative for the franchisor to start new shops, and they sometimes forget to calculate if a new shop has sufficient potential to make a profitable return for the franchisee.



A WIN-WIN BUSINESS MODEL

Our partnership model at CLUBTAN aligns us with our master franchisees and substantially reduces initial costs. It is a win-win situation for both parties. We don't succeed until you do, so there is no fee until you start making a profit.

You can read more about our business model in our investment presentation.

[DOWNLOAD THE PRESENTATION](#)



WHAT ARE THE KEY DRIVERS?

Lastly, when considering to join a franchise, you should look at the key drivers behind the franchise, determining how easy and hassle-free it will be.

BACK OFFICE AND GENERAL SUPPORT

Which back-office functions does the franchisor provide? Marketing budgets and management can look very different from franchise to franchise – as can the general support. For instance, what are the procedures if a machine malfunctions? Is there 24/7 tech support and how long does it take for them to answer your inquiries?

Franchisors offer different levels of management, support, and backup, and it's a good idea to know exactly what you can expect in all aspects of the back-office before investing in a franchise.

DIGITAL SYSTEMS AND USABILITY

Digital systems and -solutions are used almost everywhere today, but not all of them will be equally user friendly or intuitive to use. Ensure that the franchisor offers systems and interfaces that the customers will find easy to use, or it could become a barrier.

If you're going to use specific systems yourself as a franchisee or master franchisee, it's important that you're informed about all the systems and how you use them.

ADMINISTRATION AND OPERATIONS

Different franchises offer different levels of administration and operations that determine how easy it will be for you to run the business.

Ask yourself how much time and effort you want to put into the business and whether you want to hire employees or manage everything yourself. This largely depends on your other activities, for instance, if you're working a full-time job as well.

Many franchises require staff on location, and staff = expenses. Staff is obviously unavoidable in some cases, but some franchise concepts are almost entirely staffless.

Staffless concepts and businesses mean fewer expenses, and you'll also avoid the hassle which is inevitably related to having employees.

All in all, the most crucial consideration is how much time and how many resources you want to put into the business. Some people enjoy being highly involved in the daily management and operation, while others prefer a “plug and play” solution that doesn't require much time.

Make sure your expectations align with the franchise you're looking to invest in, whether a master franchise or a regular franchise.

ABOUT CLUBTAN

Since 1995, we have been working with beauty through tanning. CLUBTAN is a Danish franchise company with over 100 shops in Denmark and shops in England, Scotland, and The Netherlands.

In the UK, our goal is to find 24 exclusive master franchisees. We use a win-win partnership model where our franchisees don't pay franchisee fee until they've reached their break-even point and start making profit.

If you would like to become a partner in a fast-growing franchise chain in an equally fast-growing market, consider booking an online investment meeting where we'll go through the business case with you. No strings attached.

BOOK AN INVESTMENT MEETING