



## Protect Your Franchise Business With Acropolis®

Acropolis® provides solutions in a time of stress and disruption, and offers marketing benefits for franchisors and franchisees selling their businesses:

- Protect the investments and estate of all concerned
- Provide for continuity of systems
- Reduce disruption and stress
- Provide additional security for new franchisees
- Add value to the franchise package



**ensuring the future of your franchise**

Accommodation  
Building  
Car Care  
Childcare  
Coffee Shops  
Commercial Services  
Computing  
Education  
Food Service  
Financial Services  
Home Cleaning  
Ironing  
Lawnmowing  
Leisure  
Maintenance  
Restaurants  
Retail  
Takeaway  
Technology

### You've Invested In Buying Or Developing A Franchise – Good Decision

Franchising is one of the most effective and efficient ways of doing business in the modern world. Franchisors get the benefit of rapid expansion and truly committed people. Franchisees get training, a proven system and a valuable brand.

### But What If Something Happens To The Franchisor?

Franchising is traditionally the least risky way for people to go into business. But risks still exist. What would happen in your system if the franchisor – or one of the key personnel – were suddenly no longer able to make decisions?

Many franchises are totally dependent on the skills of a few people to make them secure and take them forward. They rely on the knowledge, experience and vision of the original founder or chief executive for their immediate future. But accidents and illness do happen – and the effects can be devastating.

If a key person's skills are suddenly lost, everybody suffers. The franchise almost certainly loses direction. Important decisions are not taken, suppliers lose confidence, franchisees worry, and the key person's partners or executors have the additional concerns of running the franchise – something which they may not be trained to do.

### The Franchisor's Investment

If the situation continues, the effects can multiply. Without leadership, the franchise loses momentum. Franchise support drops off, and franchisees are left to fill the gaps themselves. Cracks appear in the system. Marketing becomes less strong, and the brand starts to lose its identity and value.

This affects not just the system but the franchisor's estate, the financial backers and even the family trust. Those placed in the position of running the franchise – perhaps the franchisor's executors – are faced with constant demands for action from an asset which is reducing in value. Their most likely option is to sell it as quickly as possible to the highest bidder. This is not necessarily in the best interest of the franchisees. Alternatively, lack of funds may prevent the franchise from being run properly – again affecting franchisees adversely.

### The Franchisee's Investment

Even the best, most profitable franchisees can suffer in such circumstances. At the very least, there will be a period of disruption and distraction while the franchise is re-organised. During such times there is an increased danger of disputes arising, and the ultimate spectre of a new and unsatisfactory franchisor coming in who does not enjoy the same relationship and



“ We have all seen how far and how fast franchise systems can slide when leadership vanishes and the direction is unclear.

What franchisees need most in such situations is time, experience, continuity and funding ”

**Colin Taylor**  
Founder, Stirling Sports  
Chairman, Franchise Foundation Limited

mutual trust with franchisees. The result can be to affect the value of the franchisee's investment and, ultimately, the whole future viability of his or her business.

### How Can Acropolis® Help?

Acropolis® enables franchisors and franchisees to protect themselves against the unexpected by helping ensure that, as far as possible, franchisees can enjoy 'business as usual' during such a time. It has been designed by Franchise Foundation Limited, an organisation which brings together some of the most experienced people in New Zealand franchising.

If the franchisor is suddenly unable to run the franchise, Acropolis® provides funding to Franchise Foundation Limited to find, appoint and pay a suitable person to manage the ongoing business of the franchise system. Activities will be directed by Franchise Foundation Limited in consultation with the relevant parties.

Franchise Foundation Limited will also, if necessary, engineer the smooth and successful transfer of the franchisor business to a new owner in the best interests of both the franchisor and all of the franchisees.

The successful transfer of a franchise business to new ownership requires time to plan and prepare, to evaluate and organise. With Acropolis®, that

time can be taken to protect the value of the franchisees' businesses and ensure the franchisor's estate receives the best possible outcome.

### How Does It Work?

Rather than being called upon to help only when disaster strikes, Acropolis® is set up with franchisors and franchisees in advance. This enables the franchisor's business ownership structure, partnerships, spouse's involvement and any other issues to be allowed for in the plan.

Funding for the service is provided through life cover on the franchisor set at a level appropriate for the needs of the franchise. This ensures that Franchise Foundation Limited can act immediately to protect all concerned should the need arise. It also ensures that there are no disputes over funding at a time of uncertainty.

### Who Is Franchise Foundation?

Franchise Foundation Limited was established to provide vital services to the franchise sector. Acropolis® is the first product arranged by the company.

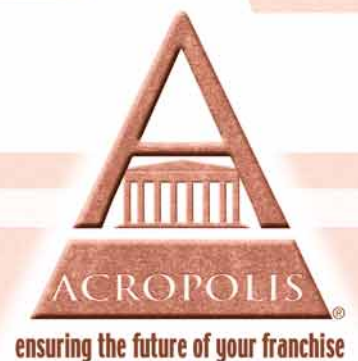
The Franchise Foundation Limited board consists of five prominent New Zealand franchise specialists: Colin Taylor (founder of Stirling Sports and a partner in two other franchise systems); Stewart Germann (specialist franchising lawyer and international franchise

commentator); Simon Lord (former marketing manager with three franchise systems and publisher of *Franchise New Zealand* magazine); David McCulloch (founder of the Arano Juice franchise and business coach); and Win Robinson (former franchisor and managing director of NZ's oldest-established franchise consultancy).

### How Can I Protect My Franchise Investment?

Every franchise has different needs and different structures, and for that reason it is best for one of our experts to discuss your own business with you. Acropolis® is a co-operative partnership between franchisor and franchisees, in the best spirit of franchising, and we recognise that the decision to use Acropolis® will involve several stages. We are happy to talk to franchisors, their partners, franchisee representatives, Franchise Advisory Councils and at franchise conferences in order to explain the concept fully.

To find out more about protecting your franchise investment with Acropolis®, contact us today. We'll be very pleased to assist you in any way possible.



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