



# How to start a tyre franchise

Owning a tyre franchise can be a profitable business opportunity. Here's how to make sure it's for you

If you're thinking of becoming your own boss, starting a tyre franchise business is an easy way to do it. With a franchise, you can start a business without having to address many of the typical start-up concerns, thus avoiding many of the problems and costs associated.

## **What are your reasons for wanting to buy a franchise?**

A franchise opportunity is a good option if you want to work for yourself, and while a franchise business comes with its own challenges, if you're self-motivated, energetic and willing to work hard, it could suit you. If you've got management experience and the skills required for a successful franchise, it could be just the thing to contribute your time and talents to.

Ask yourself...

- Do I have the right skills? The right abilities, skills and a desire to start are important, but you also need to be a go-getter who's willing to assume the risk and responsibility of starting and managing a franchise.



- Will I like having a franchise? You'll be receiving coaching and advice from a franchisor, which means you need to accept and follow their rules.
- Have I done enough research about the type of franchise I'm thinking of buying? Have you investigated all the facets relating to competition, investment and the franchise agreement?
- Am I willing to share information? Franchisors will want you to share business information with them via reports and even tax returns.

### **Advantages of buying a franchise**

A franchise enables you, the investor or franchisee, to operate a business, reducing your investment risk and enabling you to associate with an established company. You'll have training, support and mentorship, the opportunity to utilise proven marketing and sales methods, as well as comprehensive operating systems. Plus, access to bulk purchasing will also give you increased spending power.

### **Disadvantages of buying a franchise**

In addition to the franchise fee, you might have to pay the franchisor royalties as well as contribute to a marketing fund. Business operations and procedures need to be followed according to the procedures and restrictions set forth by the franchisor, and you'll only be able to sell products preapproved by the franchisor, limiting your sources for supplies.

### **What to consider before buying a franchise**

1. What is the demand for the franchisor's products or services?
2. How long has the franchise been operating, and do they have a good track record?



3. What are the details of the proposed legal agreement, and how does it affect exclusivity of trading areas?
4. Know the franchisor's financial situation and their strategy, and evaluate the profitability and management of the franchise.
5. Does the franchisor own the property, and will you be provided with financial assistance?
6. What marketing assistance will be provided, and what are the proven tools and strategies to attract and retain customers?
7. Who's your competition, and how well established are they in the community?
8. Carefully determine what the total cost for your franchise is going to be, including equipment, inventory, advertising and promotion.

### **What will I need to buy a tyre franchise?**

As with any investment, you must proceed with caution and educate yourself. Purchasing a franchise carries no guarantee of success, but you can reduce the risk of failure by being an informed buyer. You'll need the following:

- An initial investment determined by the size and type of franchise you choose
- A signed franchise agreement detailing what each party is responsible for
- A business plan with cash flow forecasts when you approach the bank for a loan



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