

IFA INTERNATIONAL FRANCHISE ASSOCIATION

Franchising Building local businesses, one opportunity at a time.

50 YEARS 1960-2010

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Identifying International Market Opportunities

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What Does Your Franchise Need To Succeed In the Diverse, Global Franchise Market?

- A business plan that focuses on the right markets for your particular franchise
- An assessment of the potential of these markets to produce a good Rate Of Return for your franchise
- Clear differentiation from similar businesses
- Documented training, support and marketing programs for your international licensee
- A strong Intranet system that can provide 24/7 support and benchmarks on how the franchise should be run

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Factors You Should Consider When Deciding Which Countries To Franchise Into

- Rule of Law
- Country Stability
- Government Involvement
- Intellectual Property Protection
- Can you easily get your fees out?
- Does the customer base fit your franchise
- *Potential To Achieve An Acceptable ROI!*



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Specific International Market Entry Considerations

Expected 2010 GDP Growth From a variety of research sources and EGS GlobalTeam™ feedback
 GC Index Global Competitive Index, [World Economic Forum](#)
 Economic Freedom 2009 How free are companies to start and grow businesses, [Fraser Institute](#)
 Market Size How big is the potential market for new products and services?
 Ease Of Entry How easy or difficult will it be to find a master and start operations
 Legal Concerns Is the legal environment fair to both foreign and local companies?
 Government Involvement In terms of impacting business agreements and fee payments

NOTE: Good GDP growth usually means investors are seeking new businesses to create new jobs

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Analysis of Markets For 2010 – GlobalVue™

Country Or Region	Expected 2010 GDP Growth %	Market Size	Ease Of Entry	Legal Concerns	Government Involvement	Weighted Ranking 2010 Point
Brazil	1	1	2	2	2	1.8
China	1	1	2	2	2	1.8
Mexico	1	1	2	2	2	1.8
Polynesia	1	2	2	2	2	1.9
South Africa	1	4	1	1	1	1.9
Thailand	1	2	2	2	1	1.8
India	1	1	3	2	3	2.2
Indonesia	1	1	2	3	3	2.2
Malaysia	1	2	2	2	2	1.9
United Kingdom	2	1	2	2	1	2.0
USA	2	1	1	2	2	2.0
Japan	2	1	2	2	2	2.2
Canada	2	2	2	2	2	2.4
France	2	1	3	2	2	2.4
Germany	2	1	3	2	2	2.4
Middle East Region/GCC	2	2	2	2	2	2.2
Australia	2	2	2	2	2	2.2
South Korea	2	2	2	2	3	2.5
Poland	2	2	2	3	3	2.5
Russia	2	2	2	4	2	2.7
Turkey	3	2	1	2	1	2.6
Italy	2	2	2	2	2	2.5
Spain	4	1	2	2	2	3.0

Rankings: 1 is best, 2,5 is good, 4 is worst

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Where To Find The Right Resources For Your Global Expansion

- **GlobalVue™** - or equivalent country comparison analyses that help you decide which countries are best for your franchise
- "Kiss, Bow, or Shake Hands", by Terri Morrison – How to do business in 60 countries from a cultural perspective
- The CIA World FactBook – up to date statistics on over 100 countries: <https://www.cia.gov/library/publications/the-world-factbook>
- The U.S. Commercial Service – Help in finding, evaluating and signing international licensees

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'Hot' International Franchise Sectors For 2010

- **Automotive** – After market products and services
- **Children's Education** – At all levels
- **Commercial Services** - Facility management, Cleaning, Handyman, Security
- **Personal Services** – Handyman, Maid, Mobile
- **Retail** – To fill large malls in emerging markets
- **Specialty Food** – Mall anchor concepts, special brands, ethnic foods, well known pizza brands

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'Hot' International Franchise Markets For 2010/2011

- **Strong Desire For Foreign Franchises Today**
 - **Brazil** – Strong growth, high level of franchising
 - **China** – Focused on 1st and 2nd Tier Cities
 - **India** – Strong desire for food and retail brands
- **Hot Markets For Franchising in 2011**
 - **South Africa, Turkey and Viet Nam**
 - **Some parts of the EU and Central & Eastern Europe**

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