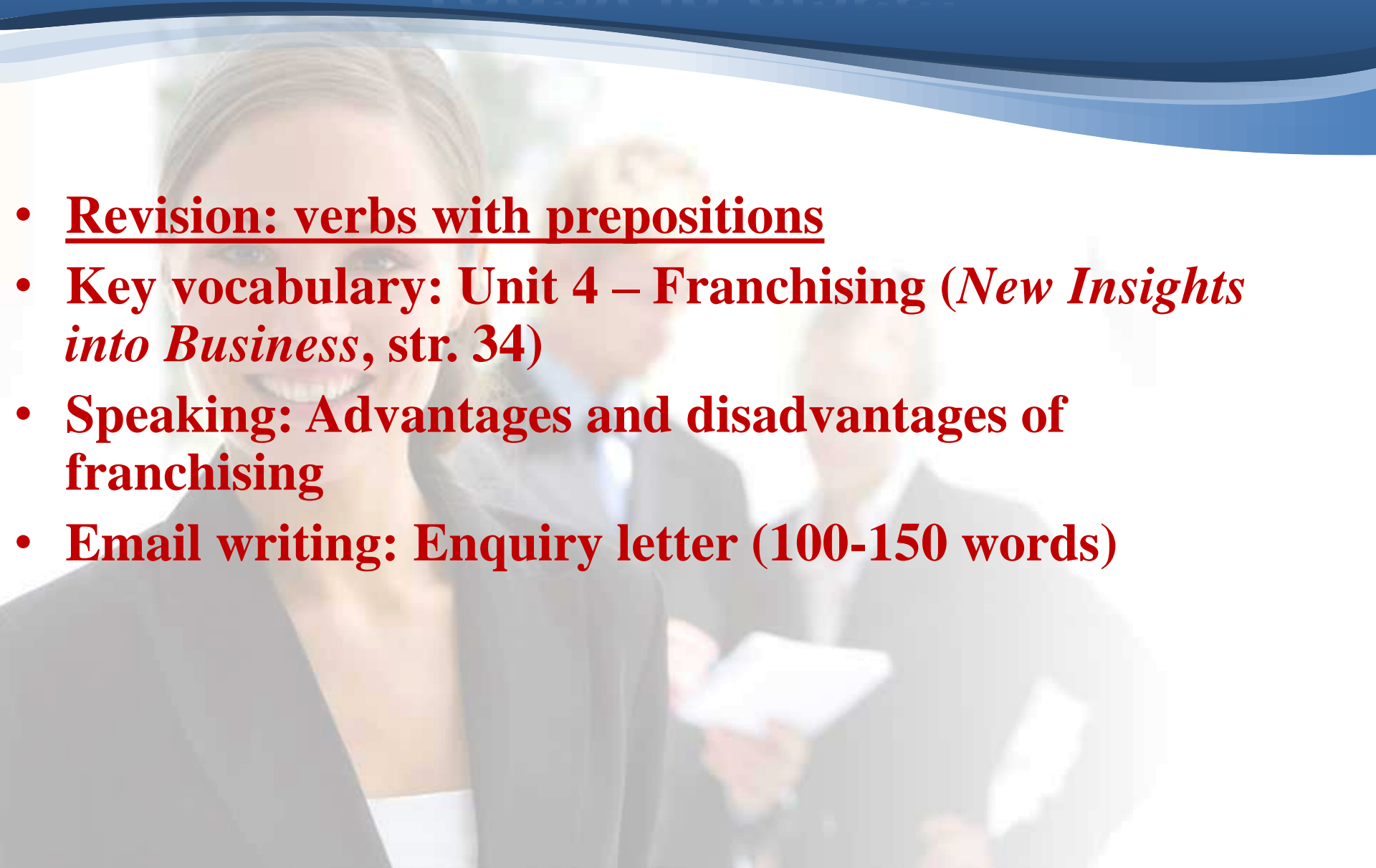


Today in class:

- **Revision: verbs with prepositions**
 - **Key vocabulary: Unit 4 – Franchising (*New Insights into Business*, str. 34)**
 - **Speaking: Advantages and disadvantages of franchising**
 - **Email writing: Enquiry letter (100-150 words)**
- 

Unit 4: FRANCHISING. KEY VOCABULARY.

- page 34, Source - *New Insights into Business*, Listening, Track 15

FRANCHISOR

FRANCHISEE

**FRANCHISE
AGREEMENT**

ROYALTY

FRANCHISING

**FRANCHISE
FEE / FRONT
END FEE**

**MANAGEMENT
SERVICES FEE**

**OPERATIONS
MANUAL**

**ADVERTISING
FEE**

**MASTER
FRANCHISEE**

- Fill in the gaps with the keywords given below.

franchisor, marketing costs, royalty, franchising, supervise, annual turnover, front end fee, management services fee, franchisee, operations manual, franchise agreement, franchise fee, advertising fee, master franchisee

Franchising is a business system in which a company (or franchisor) sells an individual (or franchisee) the right to operate a business using the franchisor's established system or format.

As part of the franchise agreement the franchisee pays an initial sum of money, a franchise fee or front end fee, to the franchisor and agrees to pay a royalty or management services fee, for continuing advice and assistance, which is usually calculated as a percentage of annual turnover. The franchisee may also pay an advertising fee to contribute to the franchisor's annual advertising and marketing costs. The franchisee also has to find the necessary capital to open the business.

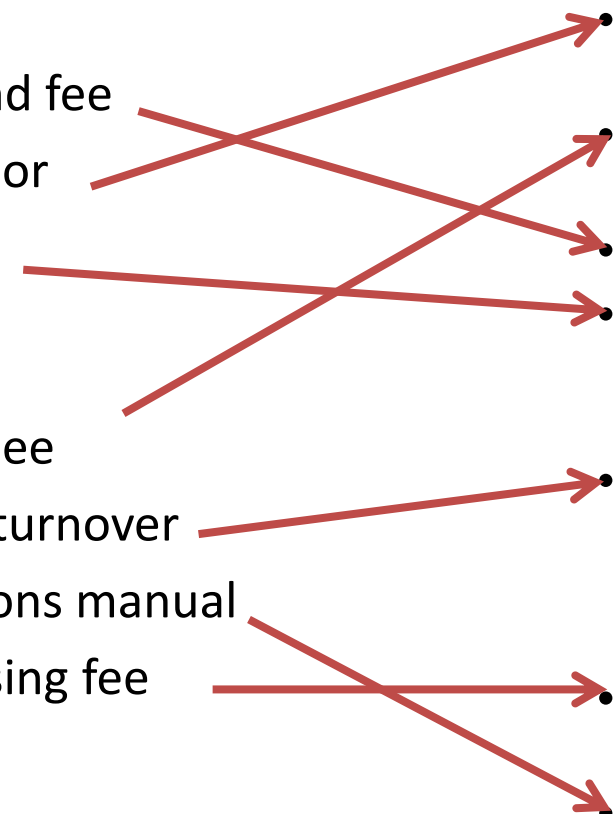
The franchisor provides an operations manual, which contains all the information that the franchisee needs to run his or her business. A franchisor may appoint a master franchisee to supervise the business in a particular area.

Find in your books.

Source - *New Insights into Business*, p. 34

Matching exercise.

Match the words with their definitions.

- 
- front end fee
 - franchisor
 - royalty
 - franchisee
 - annual turnover
 - operations manual
 - advertising fee
- A parent company, grants a licence to use its name.
 - A smaller business that uses the established system/format.
 - An initial sum of money.
 - Money that is paid for continuing advice and assistance.
 - The total value of goods or services sold by a company during a particular period of time.
 - Annual advertising and / or marketing costs.
 - Contains all the information that the franchisee needs.

Source : *New Insights into Business*, p. 34

Sweeney , S. (2007) *Professional English Marketing*, PENGUIN ENGLISH GUIDES, p. 45

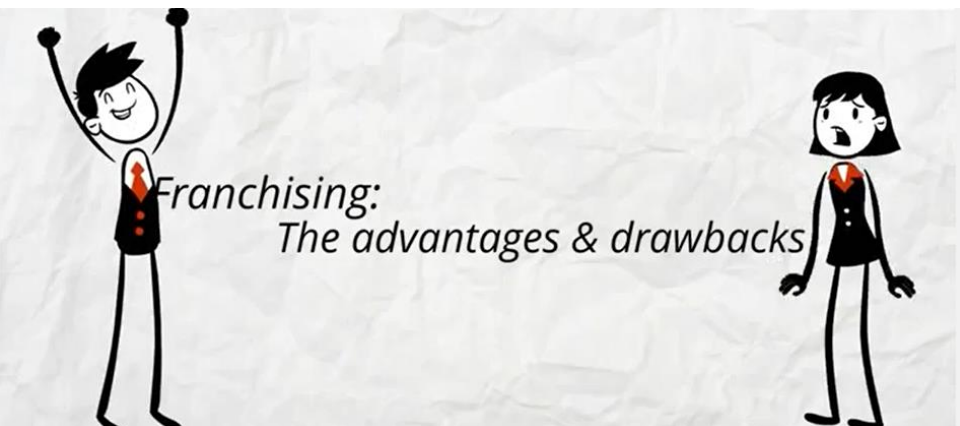
OXFORD Dictionary of Business English (2006)

Speaking: Advantages (*pros*) and disadvantages (drawbacks, *cons*) of franchising

- <https://www.youtube.com/watch?v=V-pJ0J-syzQ>

- **PROS +**
- WELL-ESTABLISHED BRAND
- LOWER RISK
- EASE OF SECURING FINANCE (BANKS ARE MORE LIKELY TO OFFER FINANCING TO FRANCHISEES THAN TO **START-UPS**)

- **CONS -**
- LACK OF AUTONOMY (ALREADY ESTABLISHED RULES OF RUNNING A BUSINESS)
- COST (YOU NEED TO HAVE INITIAL CAPITAL, TO PAY AN INITIAL SUM OF MONEY)
- LACK OF FLEXIBILITY
- RESPONSIBILITY TO KEEP GOOD BRAND REPUTATION
- HARD WORK



Email writing: Enquiry letter (100-150 words)

Pisanje mejla: Upit (za slanje ponude)



You are considering the opportunity of • acquiring a license for Dunkin' Donuts franchise. Write an e-mail enquiry letter to the headquarters office enquiring information on the following issues:

- franchise agreement
- the required start-up capital
- royalty fee
- overheads
- training course
- store design
- a brochure and the operations manual

Use the phrases given below:

• To...Subject... / • I would be very interested in obtaining more information about ... / • I intend to ... / • Could you please tell me ... / • Please, let me know.... / I would be grateful if ... / • Looking forward to hearing from you.

Email writing: Enquiry letter - SAMPLE

From: **John Smith**

To: **John Doe** [Dunkin' Donuts Company Manager]

Date: March, 28, 2016

Subject: requesting information on a franchise business

Dear Mr. Doe,

With reference to your brochure about franchise company Dunkin' Donuts, ***I would be very interested in obtaining more information about*** this type of cooperation.

I have been working in the field of entrepreneurship for more than 15 years. Currently, I am taking a great interest in franchise business. Thus, ***I would be grateful if you could tell me*** as much as possible about opening franchise business within the bounds of Dunkin Donuts' franchise agreement.

If you are interested in further cooperation, please, don't hesitate to contact me by telephone 256245231 or via email.

Yours sincerely,

John Smith

John Smith

A sunset scene with a bright sun low on the horizon, casting a golden glow over a body of water. In the background, a dark silhouette of a tree stands on a hill against the bright sky.

Thank
You for your
attention!
See you next
week!