

Specification of Competency Standards of the Retail Industry

**Unit of Competency**

**Functional Area: Store Operations**

Title	Formulate franchise strategies
Code	105162L6
Range	This unit of competency (UoC) is applicable to store management staff in the retail industry. It requires critical analysis and assessment of the overall retail market environment. It covers the abilities to formulate the most appropriate franchise strategies for the organization according to the market development goal and business tactics, so as to enhance the sales network and performance of goods and services.
Level	6
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of franchise</p> <ul style="list-style-type: none"> <li>• Understand the market development goal and business strategies of the organization</li> <li>• Understand the operation mode of franchise and the potential contribution of franchise to the retail business of the organization</li> <li>• Master the ability to negotiate and settle disputes with potential franchise operators</li> <li>• Master the marketing techniques to successfully promote new franchise</li> <li>• Master problem-solving techniques to cope with the need for developing new franchise</li> <li>• Understand the requirements of Government legislations and regulations related to franchise</li> <li>• Master the techniques of monitoring and reviewing franchise performance</li> <li>• Understand the details of the responsibilities related to franchise, including: <ul style="list-style-type: none"> <li>• Contents of franchise agreement</li> <li>• Agreement clauses which allows amendments to cope with changes</li> <li>• Code of practice for franchise operators</li> </ul> </li> <li>• Factors of consideration for formulating franchise strategies, including: <ul style="list-style-type: none"> <li>• Market development goal of the organization</li> <li>• Overall business strategy of the organization e.g. market share</li> <li>• Quality and competency of potential franchise operators</li> <li>• Business practice and strategies of competitors</li> <li>• Overall retail market environment and trend</li> </ul> </li> </ul> <p>2. Formulate franchise strategies</p> <ul style="list-style-type: none"> <li>• Draft and formulate the business strategies related to franchise, including: <ul style="list-style-type: none"> <li>• Drawing up agreement documents with franchise operators</li> <li>• Responsibilities and authority of franchise operators and the organization</li> <li>• Requirements for monitoring franchise operators</li> <li>• Fees and pricing structure under the franchise agreement</li> <li>• Requirements for sales, expenditure, revenue and turnover</li> <li>• Business mode agreed by both parties</li> </ul> </li> <li>• Formulate the appropriate business strategies related to franchise in order to enhance corporate image and branding</li> <li>• Formulate the appropriate business strategies related to franchise in order to match other measures (e.g. marketing plan) and Government legislations</li> <li>• Set up monitoring mechanism to ensure that franchise operators run the business as stipulated in the mutual agreement</li> <li>• Review the effectiveness of the franchise business strategies regularly and submit improvement proposals to the higher level</li> </ul> <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> <li>• Consider the benefits of both the organization and franchise operators and stick to the mutual agreement when formulating franchise strategies; and</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> <li>• Formulate the most appropriate franchise strategy according to the market development goal and business tactics; and</li> <li>• Ensure that the formulated franchise strategies can enhance the sales network and performance of the goods and services of the organization.</li> </ul>
Remark	