

When It Comes To Franchising, Location Matters

When it comes to owning and operating a successful franchise it's all about location, location, location. That's why when you are preparing to open your own franchise business, the most important team you can work with outside of your franchisor is that of a commercial real estate broker.

Your franchisor will more than likely provide guidance on specific selection criteria for finding a good site, such as the demographic characteristics and population density, traffic and parking parameters, and the importance of site visibility to the success of your business. They may even provide information on the type of tenant mix that is preferable in a shopping center, or which side of a busy street you should be located on. But at the end of the day, franchise systems often assume you'll do most of the legwork locating a prospective site, based on the selection criteria they provide.

While commercial real estate and land acquisition can be a complicated matter, it doesn't have to be. That's why it's important to look for a commercial real estate company or agent with a solid reputation and, most importantly, one with experience in franchise locations. It's also important to choose a company that assists you through the entire transaction.

Chris Maples-Shuler, CCIM, Owner/Broker of Maples Properties knows that in the mix of preparing to open a business, selecting a location can often be difficult. It can cause a lot of anxiety for new franchisees because it's one

of the most important steps in the process. That's why she works hard to do as much of the legwork for her clients as possible. "It can seem pretty overwhelming when it comes to figuring out exactly where to locate your franchise business. But we work with franchisees every day and provide them with the demographic information they need to find the perfect location."



**Chris Maples, CCIM,
Owner/Broker of Maples
Properties**

"The site location cannot be based on emotions or gut-feelings. To make the business a success, it needs to be handled with a disciplined, rational, and systematic approach," Maples-Schuler added. "And no, site selection is not a science, but it is all about numbers, and that's where experience in commercial real estate pays off."

Recognizing that rent and payroll are usually the two largest expenses for a business, Maples doesn't stop with location selection, she also works closely with franchisees throughout their lease negotiations to find a balance. After they have settled on one or more potential locations, she helps them to determine the economics of the locations, and any other considerations that might be important.

Those can range from percentage rent clauses and common area maintenance fees to real estate taxes, landlord insurance and other expenses.

"The perfect site can, and usually does, cost more than the secondary choices, so the question is, what's the trade off

between higher rent and higher traffic?" Maples-Shuler says. "That's where the numbers come into play, and we help uncover those numbers and make sure the expenses are reasonable."

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Maples-Shuler urges her clients to take a team approach when negotiating and finalizing the lease, and recommends that they work closely not only with her company, but with their franchisor and a good lease attorney. Working with a combination of professionals helps the franchisee make sure that the location works in a way that will help them own and operate a successful business for many years to come. "Yes, it can seem scary, but working with people that you can trust to provide targeted services that represent and deliver the property transaction you need, means that you can concentrate on opening your business."

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