



Australian Government

Department of Education, Employment and Workplace Relations

BSBFRA502B Manage a franchise operation

Revision Number: 1

BSBFRA502B Manage a franchise operation

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to manage a franchise operation. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit applies to franchisors managing an existing franchise operation to support franchisees and meet franchisor obligations under the particular franchising agreement entered into with those franchisees.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish procedures for managing a franchise operation	1.1. Determine obligations of both parties under franchising agreement 1.2. Develop procedures for ensuring compliance with <i>franchising obligations</i> and <i>legislative requirements</i> 1.3. Develop and communicate to franchises <i>reporting requirements</i> for franchisees
2. Implement procedures for managing a franchise operation	2.1. Implement procedures for franchises to ensure compliance with franchising obligations and legislative requirements 2.2. Identify instances of non-compliance and act upon them in conjunction with franchises 2.3. Monitor reports from franchises for completeness, accuracy and timeliness of submission 2.4. Identify potential disputes with franchises and take action to resolve potential disputes before they eventuate 2.5. Resolve disputes that eventuate and reach an agreed settlement within established procedures as documented in the Franchising Code of Conduct
3. Review a franchise operation	3.1. Use monitoring of franchises to inform review process for franchise operation 3.2. Identify improvements in franchise operation and management of franchises from monitoring franchises' business operations 3.3. Make recommendations to improve the effectiveness of the franchise operation and individual franchises

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- culturally appropriate communication skills to relate to people from diverse backgrounds and people with diverse abilities
- marketing skills to promote new franchises
- problem-solving skills to resolve issues in commencement of operations and new franchises
- communication and negotiation skills to address potential disputes
- analysis skills to monitor and review franchise performance.

Required knowledge

- legislation, codes of practice and national standards relating to occupational health and safety (OHS), company law, fair trading, anti-discrimination and other areas specific to the franchise operation
- Franchising Code of Conduct
- franchise specific obligations:
 - as per franchise agreement
 - as per updates and amendments to the agreement over time.

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- documenting franchising agreement, including franchisee obligations
- taking action to ensure franchisee compliance with obligations and addressing non-compliance
- improving franchise operations based on feedback and monitoring activities
- knowledge of relevant legislation, codes of practice and national standards.

Context of and specific resources for assessment

Assessment must ensure:

- access to business documentation
- access to feedback from franchisees
- access to an actual workplace or simulated environment
- access to office equipment and resources.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- review of procedures implemented for franchises to ensure compliance with franchising obligations and legislative requirements
- analysis of responses to case studies and scenarios
- demonstration of techniques
- observation of presentations
- oral or written questioning to assess knowledge of franchising arrangements.

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- BSBFRA501B Establish a franchise operation.

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Franchising obligations may include:

- fees and pricing structures
- franchise corporate image requirements and branding
- merchandising requirements
- quality assurance requirements
- reporting of income, sales and turnover
- stock control and inventory requirements, and reporting of this information

Legislative requirements may include:

- Australian Taxation Office requirements, including requirements to register as a business and obtain an Australian Business Number (ABN)
- Dangerous Goods Act requirements
- fire regulations
- food safety requirements
- Liquor Licensing Act requirements
- local government planning and land use zoning regulations
- OHS requirements
- other legislative requirements specific to the nature and type of franchise
- relevant permits, licences and completion of training programs such as in safe food handling
- requirements under employment legislation

Reporting requirements may include:

- accident and incident reporting and recording
- customer numbers and turnover
- income, expenditure and other financial reports
- stock levels and inventory control

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Management and Leadership - Franchising
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Co-requisite units

Co-requisite units		