



Australian Government

Department of Education, Employment and Workplace Relations

BSBFRA503B Manage establishment of new sites or regions

Revision Number: 1

BSBFRA503B Manage establishment of new sites or regions

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to manage the establishment of new sites or regions within an existing franchise operation and select new operators for existing franchises. 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 individuals with a well established, sound theoretical knowledge base in franchising who identify opportunities for new sites or regions and assist potential franchisees in commencing operations. The unit also applies to the selection of new franchisees for existing sites or regions where a new operator is required to take over the franchise.
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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. Identify opportunities for new franchise sites or regions	1.1. Access franchise organisation's strategic plan for expansion of franchise operation to determine opportunities for new sites or regions 1.2. Make analysis from closures of existing sites or regions and other industry data to identify opportunities for new sites or regions 1.3. Undertake market research to identify opportunities for new sites or regions 1.4. Obtain agreement on new sites and regions from senior management as relevant 1.5. Confirm and document opportunities for new sites or regions within franchisor's policies
2. Select new franchisees	2.1. Supply applicants for new sites or regions with requirements for establishing a franchise 2.2. Check each applicant's suitability and ability to meet franchisor's requirements in consultation with applicants and franchise operation's management 2.3. Evaluate each applicant's business planning documents for suitability
3. Assist potential franchisees with establishing new franchise	3.1. Assist potential franchisees with completion of business and marketing plans 3.2. Clarify issues raised in relation to operation of the franchise with potential franchisees 3.3. Assist potential franchisees with obtaining required permits , site selection and financing options 3.4. Communicate and clarify with potential franchisees, marketing or other cooperative funds, intellectual property rights and rights to client database 3.5. Determine physical and human resources required for commencement of franchise in conjunction with potential franchisee
4. Formalise agreement with new franchisee/s	4.1. Make checks to ensure franchisee/s meet all requirements for entering into franchise agreement 4.2. Complete agreement with new franchisee/s and obtain necessary signatures 4.3. Determine date for commencement of franchise/s
5. Assist franchisee/s in opening new franchise	5.1. Assist franchisee/s with obtaining required physical and human resources to commence operations 5.2. Assist franchisee/s with obtaining required products

ELEMENT	PERFORMANCE CRITERIA
	to commence operations 5.3. Determine and implement responsibilities of franchisor as per franchise agreement 5.4. Provide assistance to franchisee/s to determine and implement strategies and processes to meet <i>franchisee obligations</i> and <i>legislative requirements</i> as per franchise agreement and to manage the franchise 5.5. Monitor ability to commence franchise operations on due date in conjunction with franchisee/s 5.6. Determine <i>training</i> needs of franchisee/s and facilitate required training 5.7. Resolve problems arising in setting up franchise to commence business operations in conjunction with franchisee/s 5.8. Commence operations of new site or region within specified timeframes and within parameters set down by franchisor

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
- communication and negotiation skills to secure new franchisees and sites
- problem-solving skills to resolve issues in establishment of formal agreements with franchisees.

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 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:

- establishing a strategic plan for franchise expansion
- providing advice and support to franchisees
- completing an agreement with franchisees
- 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 market research to identify opportunities for new sites or regions
- evaluation of applicant's business planning documents
- 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.	
<i>Strategic plan for expansion of franchise operation</i> may include:	• geographic spread of franchises • limits of regions/sites • number of franchises • other criteria for establishing new sites or regions
<i>Industry data</i> may include:	• information and statistics from government departments and agencies • reports and data from peak bodies
<i>Applicants for new sites or regions</i> may include:	• those opening a new site or region • those taking over an existing franchise
<i>Requirements for establishing a franchise</i> may include:	• capital or financial backing • franchise specific requirements • physical aptitude or fitness • receipt of disclosure document as specified in the Franchising Code of Conduct • skill levels or appropriate experience
<i>Products</i> may include:	• consumables • raw materials • stock
<i>Applicant's business planning documents</i> may include:	• business plan • financial plan • marketing plan • other planning documents
<i>Permits</i> may include:	• dangerous goods • fire safety and OHS • local government permits • other permits governed by commonwealth, state/territory legislation • specific business operations such as liquor licence
<i>Physical and human resources</i>	• franchise specific equipment • IT and communications equipment

RANGE STATEMENT	
may include:	• premises • products (consumables, raw materials, stock) • shop fittings/office furniture • staff • vehicles
<i>Requirements for entering into franchise agreement</i> may include:	• awareness and understanding of requirements as outlined in the Franchising Code of Conduct • competence • financial • health, fitness and aptitude • probity and police checks
<i>Franchisee obligations</i> may include:	• fees and pricing structures • franchise corporate image requirements and branding • merchandising requirements • quality assurance requirements • recognition of identified territory to avoid encroachment of territory between franchisees • reporting of income, sales and turnover • stock control and inventory requirements, and reporting of this information
<i>Legislative requirements</i> 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
<i>Training</i> may be:	• scheduled on a cyclical basis (such as yearly refresher courses and product knowledge

RANGE STATEMENT

	workshops) • specified in initial franchise agreement • required by legislation such as first aid
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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		