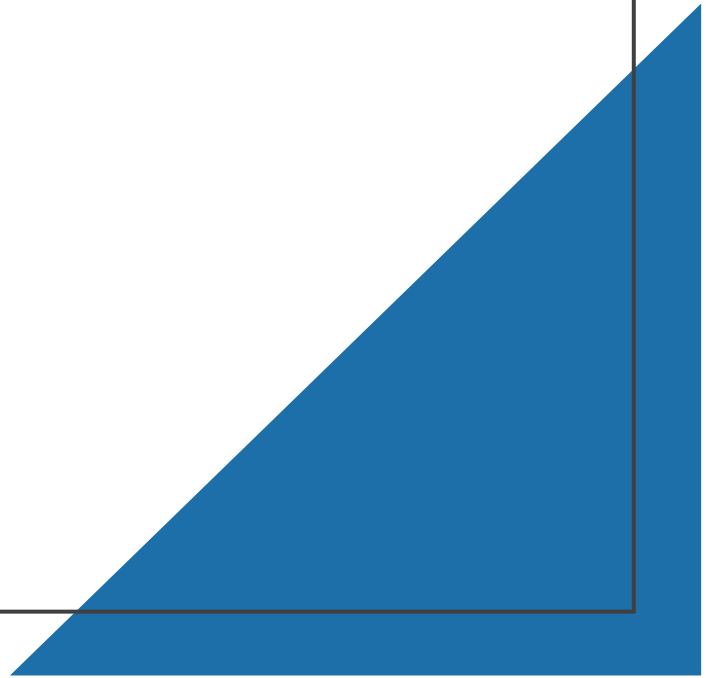
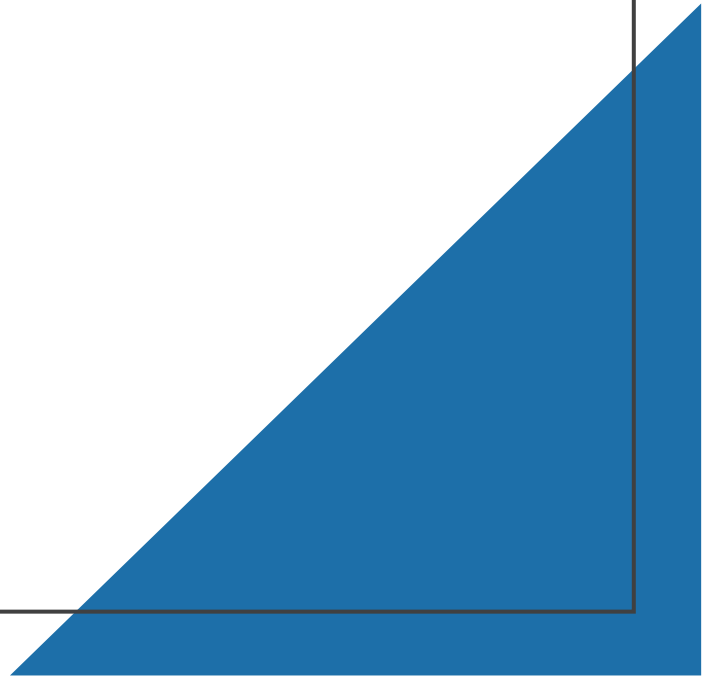


# Membership in professional organizations

XASMB Small and Medium-Sized Business

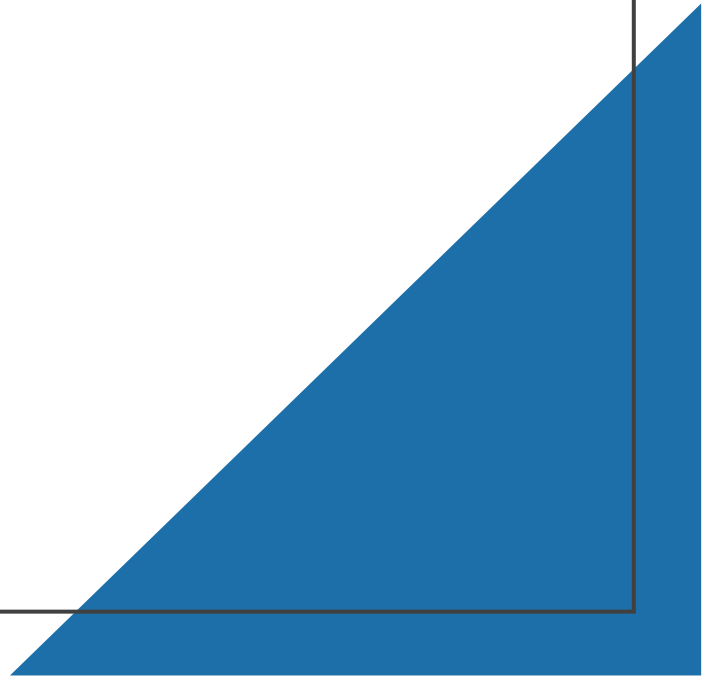


# Tutorial: Homework discussion

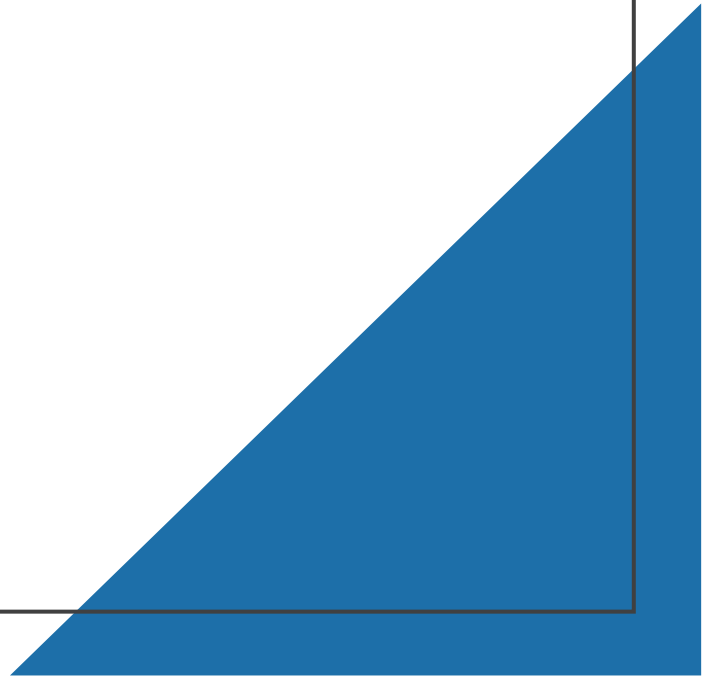


# Lesson

- Membership in professional organizations
- Franchising
- Outsourcing

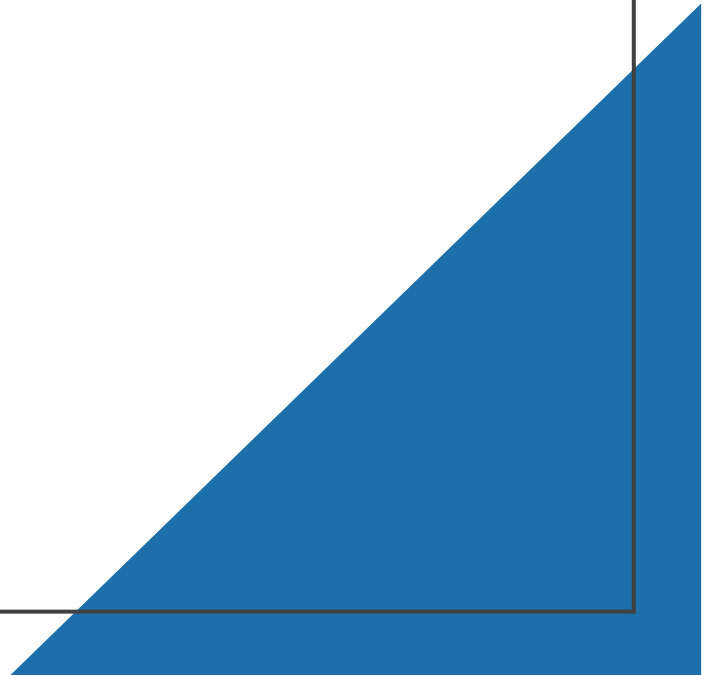


# Membership in professional organizations



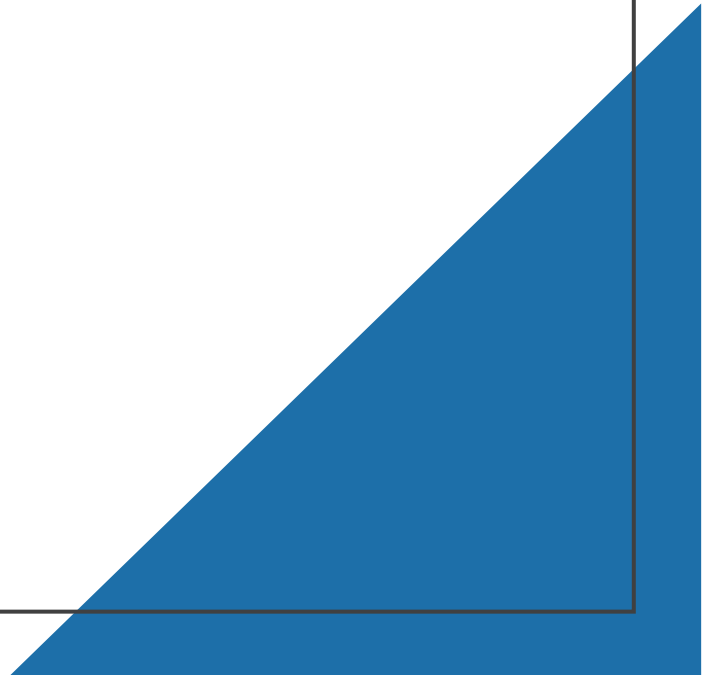
# Reasons for membership in professional organizations

- Powerful negotiating position
- Lobby
- Guarantee of quality



# Professional chambers

- Their status is regulated by special laws
- Membership is compulsory (e.g. auditors, dentists)



# Professional chambers

## **Important objectives**

- To ensure that members of chambers practice their professions professionally, in accordance with ethics and in the manner prescribed by the laws and rules of chambers
- To guarantee the professional competence of its members and to confirm that the conditions for practising the profession are met
- Assess and defend the rights and professional, social and economic interests of its members
- Keep a list of its members

## **They are authorised to**

- Participate in negotiations, e.g. on the establishment of medical tariffs
- Participate in selection procedures for filling senior posts in public administration organisations
- Determine the conditions for the exercise of private practice by its members
- Issue certificates of compliance
- Deal with complaints about the performance of its members

# Professional and interest association of entrepreneurs

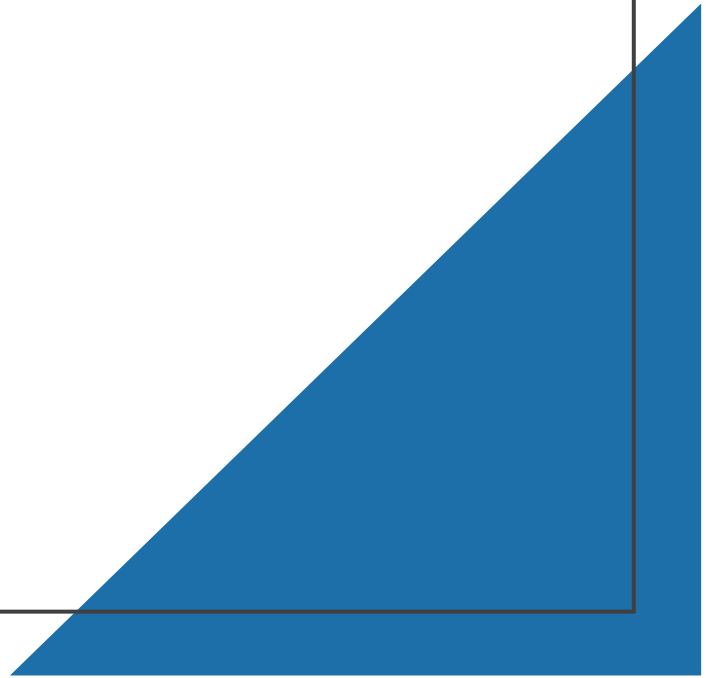
- Is established to protect professional interests
- Principle of voluntariness
- Conditions of admission written in the statutes
- May be associations with similar activities that compete with each other





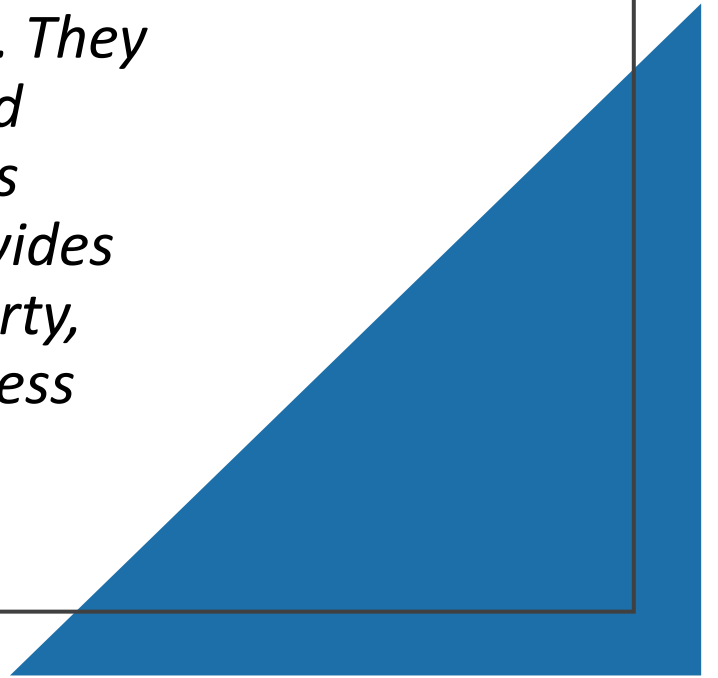
# Franchising

Do you know any franchise?



# Franchising

*Franchising is a sales system characterized by the franchisor seeking independent entrepreneurs with their own capital. They would offer his goods and services. Their mutual rights and obligations are based on a contractual basis. Franchising is practically a lease of business rights, where one party provides a licence and an established brand name and the other party, according to certain rules, independently operates a business under that brand name*





# Famous franchises

# Sales franchising



- The franchisee-franchisee sells goods in its store, which bears the name of the franchisor-franchisee.

# Franchising services



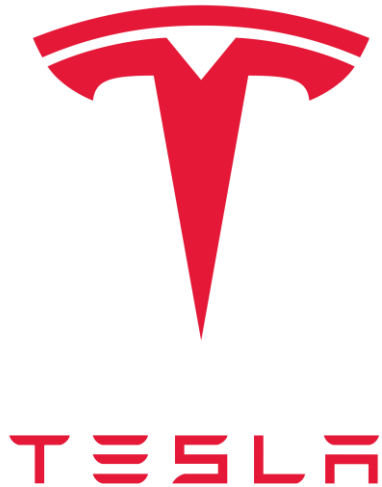
- The franchisee provides services under the franchisor's trade name and thus undertakes to comply with certain rules and regulations.

# Production franchising



- The franchisee manufactures certain products according to the franchisor's regulations and sells them under the franchisor's brand.

# Minifranchising



- This method is used when licensing the sale of exclusive goods. Under the contract, the franchisor grants the exclusive right to sell its goods in a well-defined territory and exclusive sales equipment and possibly even start-up capital.

# Master franchise



- This is actually a structured system whereby the franchisor provides the franchisee with the opportunity to create a sub-franchise, whereby the original franchisee becomes an additional, albeit somewhat limited, franchisee, in a well-defined and contractually defined area.



# Piggyback franchising



- These are cases where stores that are affiliated in one franchise chain sell their products to stores in the other franchise chain.

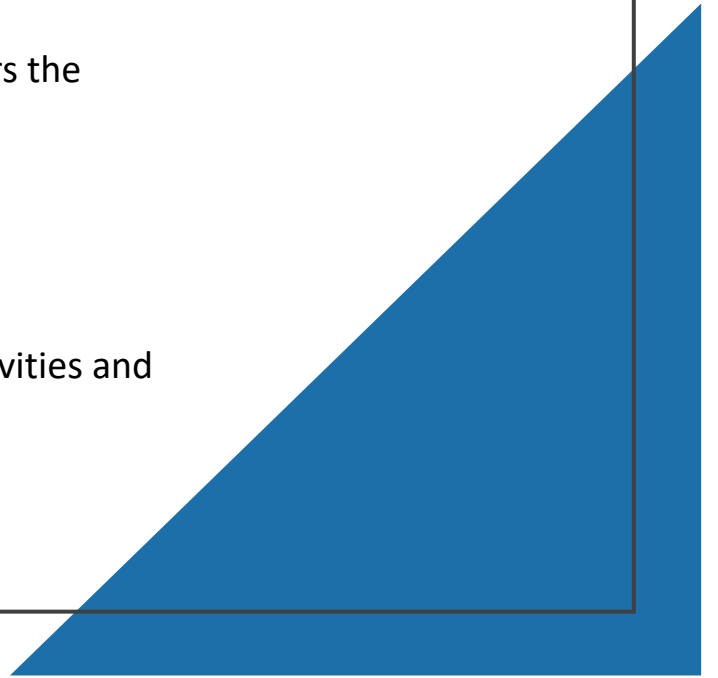


# Branchising

This is the trend of converting existing business units into independent franchisees.

# Principles of the franchise system

- It is characterized by a set of services that the franchisor, for a monthly fee, passes on to the franchisee.
- As a rule, each franchise system requires a certain one-off fee when a new company enters the system and then the aforementioned ongoing fees (monthly, quarterly, annual).
- A fee of a certain percentage of turnover is no exception.
- A good franchise system is such that it offers the recipient such services that allow him to concentrate fully on fulfilling the business plan.
- Thus, the system in question greatly assists him in the implementation of his business activities and provides him with the opportunity to gain confidence in his day-to-day work.



### Advantages of franchising as a system

- Small organisation with highly qualified managers who are specialists in each business segment
- To achieve rapid growth of the company, usually no large financial investment is required
- Business under an established brand
- Obtaining feedback from a network of establishments

### Benefits for the franchisor

- Through franchising, the franchisee can achieve faster business development on a national and inter-national level
- Creation of its own structure of a wide sales network and its further interconnection and densification
- Spreading the risk to the franchisees
- Reducing the costs of opening new outlets
- Better control over the sale of products and services

### Benefits for the franchisee

- The franchisee can own and operate the business with relatively little start-up capital
- It is a type of business that is mandated by time and market
- Franchising makes it easier to start a business
- Minimising initial risks

### Disadvantages of franchising

- The rights owner often requires a uniform standard of order, appearance and packaging
- The rights owner is paid quite substantial fees
- High turnover does not necessarily mean high profitability
- A franchise does not provide absolute freedom of enterprise

### Disadvantages for the franchisor

- Impossibility of complete control despite the proclaimed possibilities
- The need to invest considerable resources in a control system
- Problems of uniform prices
- The need for constant control

### Disadvantages for the franchisee

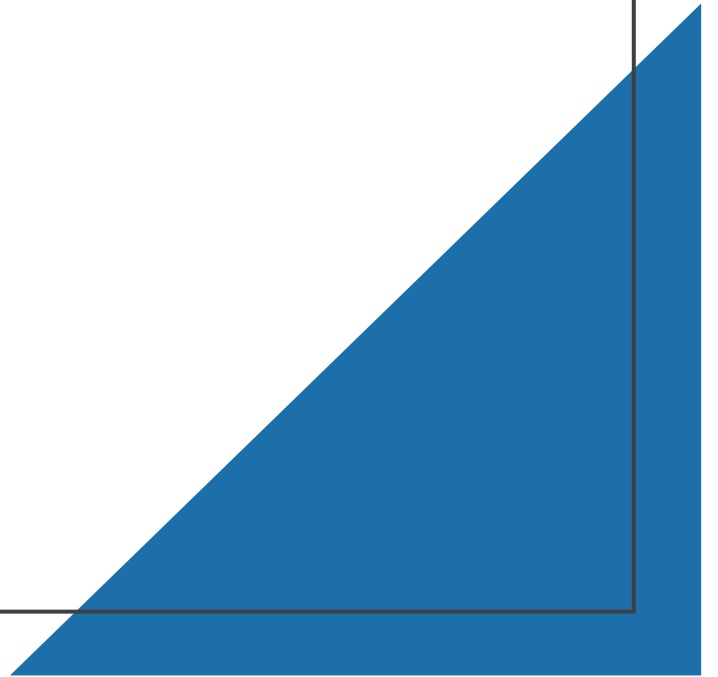
- Strict licensing criteria
- Often limited territorial scope
- Violation of regulations may lead to revocation of the licence
- The franchisee is obliged to carry out only those activities which are given in the contract
- The decline in image or bankruptcy of the franchisor cannot be influenced

- Engaging in business activities based on the rights and obligations acquired from a tribal company.
- It depends purely on the internal regulations of the company and the specific drafting of the contract for this type of cooperation in business. With a contract for this type of business, the entrepreneur acquires the rights to carry out his activities and, on the other hand, must fulfil the obligations of a business partner of the company that entrusts him with this status.
- Many inquiries contain a smaller amount of delivery, which is not interesting and profitable enough for large companies. On the other hand, it should be added that there are interested parties for the goods or products in question, but where deliveries could be in the smaller quantities required.
- An authorised dealer usually operates in a geographically smaller area
- The parent company sells its products, goods or services to the authorised dealer at favourable prices, supplies the authorised dealer with promotional items, samples, training, etc. in all contractual activities. The dealer clearly respects the recommendations concerning stock, sales prices, participates in training, etc. and acts using the authorised dealership, which has a positive effect on customers.
- This is an example of outsourcing

# Authorised dealership

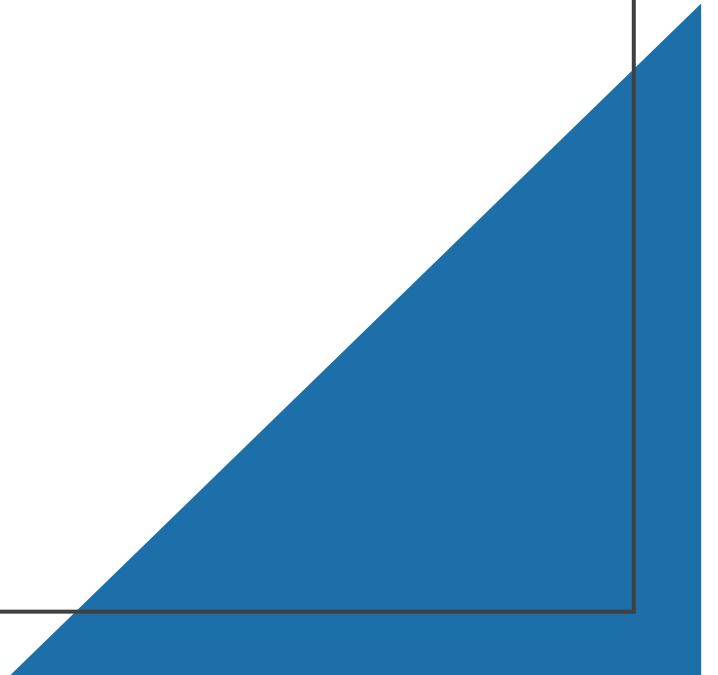


# Outsourcing



# Deployment of outsourcing in the company and its reasons

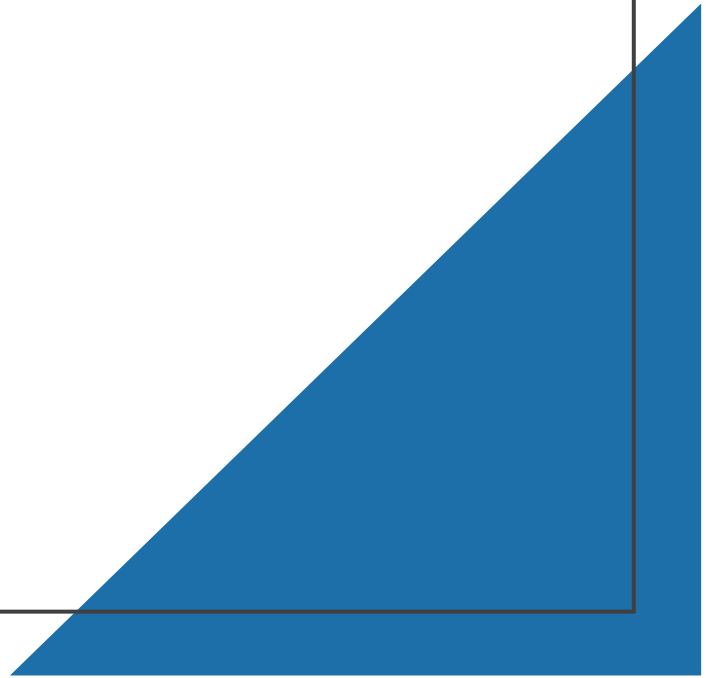
- The company can concentrate only on its priority activities
- Access to technology and its applications at a professional level
- Reduction of risk by sharing it
- Freeing up resources to be used for other activities
- Freeing up financial resources
- Cost reduction
- Unavailability of internal resources





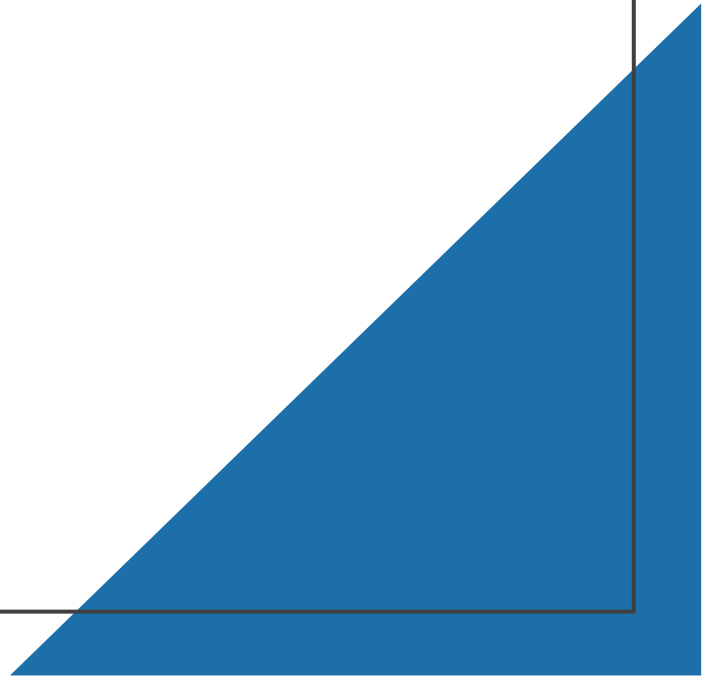
# Benefits for customers:

- Improvement of management work
- Economic benefits
- Variability and versatility
- Responsibility and guarantee
- Productivity and service quality
- Smooth transition to outsourcing



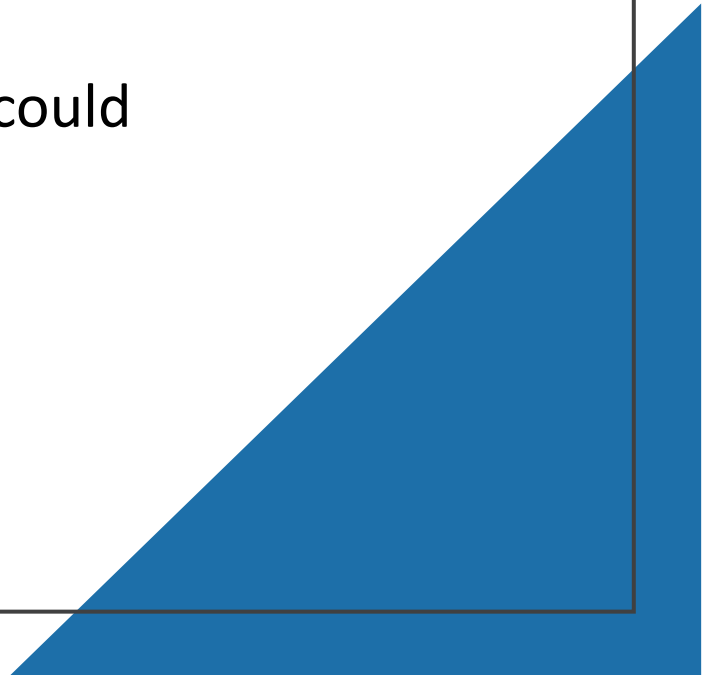
# Summary

- What have you learned today?



# Homework

- Choose one of the possible collaborations (membership of a professional organisation/franchise/authorised dealership/touring) and indicate how this collaboration could benefit your business.
- Deadline: 19.11.2024, 23:59



# Thank you for your attention

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