The Promise of Social Sector Franchising To Meet Critical Human Needs in Business Savvy Ways
What is Social Sector Franchising?

Jibu sources, trains and finances African entrepreneurs to solve the drinking water crisis.

This is what shared value can do: Rebecca Cha Yo is opening this village pharmacy as part of TISA, Mercy Corps' micropharmacy franchise pilot. Now Guatemala's largest pharmaceutical chain is taking the model to scale, with plans to open an additional 500 stores providing low-cost medicines to 88,000 people. Photo: Miguel Samper for Mercy Corps.
Why use a franchise model to achieve social development goals?

1. Maintain Standards
2. Achieve Scale
3. Generate Economies of Scale
Why use a franchise model to achieve economic development goals?

Provides local entrepreneurs with resources they need to start and succeed in business:

1. Proven model
2. Brand equity
3. Lower start up costs and access to capital
4. Training and support
5. Marketing
6. Supply chain
When is a concept ready to franchise?

1. The franchise concept is based on a successfully operating business
2. There is sufficient consumer demand for the products and services being offered through the business to warrant expansion
3. There is a sufficient supply of qualified potential franchisees
4. Management is committed to investing in resources needed to operate the franchise
5. The business to be franchised has been systemized
6. The systems are transferable to franchisees with a reasonable amount of effort and time
7. The economics of the business (for both franchisee and franchisor) support expansion
What design elements are critical to a successful franchise business?

1. Franchise brand promise that meets consumer needs
2. Uniform set of standards that franchisees must consistently meet in order to deliver on that promise
3. Procedures for recruiting and selecting franchisees capable of meeting those standards
4. Financing assistance to enable desirable candidates to become franchisees
5. Mechanisms to enable franchisees to meet those standards
6. Incentives for complying with standards
7. Mechanisms to monitor compliance with standards
8. Mechanisms to enforce compliance with standards