

*More than 15 000 entrepreneurs in Croatia is involved in franchising*

## IN ORDER TO SPEED UP THE FRANCHISING DEVELOPMENT INFRASTRUCTURE HAS TO BE BUILT

Franchising demands development and education of institutions which should support realization of these partnerships

Franchising in economically developed countries has been proved as successful way of doing business. But, its application demands development and education of institutions which should support realization of these partnerships and those are banks, lawyers and institutions for entrepreneurship support whose goal is to educate and inform entrepreneurs. According to estimate of Croatian franchise association, around 15 000 people are already involved in some form of franchising business in Croatia. In order to help development of this business model in Croatia, and especially in Osijek and Osijek-Baranja County, the Franchising center of Center for Entrepreneurship in Osijek during last ten days organized a visit to Osijek of Prof. Ilan Alon Ph.D. Prof. Alon is American franchising consultant and one of the leading worldwide experts for this area of business.

Visit of Dr. Alon will help us in building the necessary infrastructure for development of franchising in Croatia – says Mirela Alpeza M. Sc., leader of the Franchise center of Center for Entrepreneurship in Osijek. The Franchise center was a host for distinguished guest from USA whose main mission was to help in further profesionalization of this Center which gives help to all interested in becoming either franchisors or franchisees.

Dr. Alon is professor on Rollins College in Florida and consultant with international experience in area of franchising in transitional countries and in China and India. His visit to Croatia was co-financed by USAID project "Poduzetna Hrvatska"<sup>1</sup> and during his stay in Osijek he lectured in several workshops and visited several companies in Osijek area.

First workshop distinguished guest dedicated to the persons employed in institutions for stimulating entrepreneurship from whole Croatia and to independent consultants

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<sup>1</sup> Entrepreneurial Croatia

who want to specialize in consulting domestic companies which want to start franchise business. Next was workshop named "Legal aspects of franchising" which attended 12 lawyers from Osijek who wanted to get more information about franchising, because in Croatia there is no adequate legal framework for regulation of this business model.

On the workshop named "Financing of franchising businesses" attended representatives of six banks: Zagrebačka, Privredna, Erste, Slatinska, Hrvatska banka za obnovu i razvoj<sup>2</sup> and representative of Savings union NOA. Topics of the workshop were advantages and disadvantages of financing entrepreneurs which are starting business with buying of franchise.

Among several local companies which dr. Alon visited, the time was reserved for analyzing the franchising concept of San Francisco Coffee House. The company is currently negotiating opening of three franchise locations – two in Zagreb and one in Split. "It is very healthy concept which has a big potential and good growth perspective" concluded dr. Alon after visit to San Francisco Coffee House.

During his stay in Osijek, dr. Alon gave a lecture to the students of Graduate program in Entrepreneurship at Faculty of Economics in Osijek with title "Franchising – was of entrepreneurship" where he presented advantages and disadvantages of buying franchise in relation to start-up business.

"Next step of the Franchise center in Osijek is conducting a detail study of franchising impact to economical growth of Croatia. The study results should show how big role franchising has and can have in revival of Croatian economy." stated M. Alpeza while announcing that next seminar about franchising in Osijek will be held on November 4, 2006 in The Franchise Center of Center for Entrepreneurship in Osijek. Seminar is financed by USAID project "Poduzetna Hrvatska", a price is 300 HRK. More detailed information about this seminar and about ten more seminars which will be held around Croatia by the Franchise center in co-operation with "Poduzetna Hrvatska" can be found on internet pages of the Franchise center [www.fransiza.hr](http://www.fransiza.hr).

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<sup>2</sup> Croatian bank for development