

# 4 challenges of growing a franchise network beyond Covid-19

 By [Morne Cronje](#)

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For business owners searching for growth through expansion, franchising the business affords them the opportunity to expand to new locations and grow the brand and revenue...



Source: Tim Douglas from [Pexels](#)

Morne Cronje, head of franchising at FNB Commercial says creating a good franchise network requires time, dedication, and in-depth market research to be able to penetrate the market that will bring in the desired outcome.

As a franchise owner, you need to be cognisant of the fact that you will face challenges and your role should be to drive the business strategy, educate and take guidance from your team of experts, adds Cronje.

Cronje shares challenges of growing a franchise network post-Covid-19.

## 1. Not having a clear business model

To successfully grow your franchise network, you need to perfect your business model. Having an easy to follow business model will ensure that franchisees understand the vision and easily implement business strategies.

Covid-19 has shown that at times businesses may need to relook their strategies and pivot in order to remain relevant. Therefore, having a business model that has buy-in from your stakeholders will ensure that there is an open communication channel whereby everyone shares ideas for the benefit of the organisation.



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## 2. Market share

Gaining a competitive market share is an important factor in growing any business. While there may already be competition in areas that you want to expand to, you need to focus on differentiating your business from that of the competitors. However, the rising unemployment and economic challenges may mean that you will not immediately realise the desired goals as consumers are financially stretched.

### 3. Lack of brand identity

Building a strong brand identity is important in ensuring that your business is more recognizable in the market. This has been proven that franchise businesses with a strong brand identity are more likely to succeed compared to the ones that have less brand presence. As a new franchise network exploring growing opportunities, the challenge you are likely to face is consumers sticking to what they already know.



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### 4. Local and national

Creating a balance between local and national footprint is key for the success of growing a franchise network. Culture and identity play an important role in enabling success for most businesses.

Therefore, the business needs to stay in touch with the reality of the community, especially when wanting to penetrate the township market. Relying on the national marketing initiatives may not work in certain areas. Businesses then need to tailor-make their marketing specific to certain areas.

Covid-19 has come with a lot of challenges for businesses. This means that businesses looking to expand their footprint are faced with the challenge of penetrating new markets at a time where household incomes are shrinking due to increase in consumer goods, concludes Cronje.

### ABOUT MORNE CRONJE

Morne Cronje is Head of Franchising at FNB.

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