International Conference organized by International Center for Promotion of Enterprises (ICPE) & Slovenian Franchise Association (SFA) / Chamber of Commerce of Slovenia

# FRANCHISING: GROWTH AND REPLICATION OF SUCCESS Practices in the Central and SE Europe

International Center for Promotion of Enterprises, Liubliana 19 -20 June 2008

# In the focus: questions that we will try to answer

- What are the common features and differences in franchising in Central and SE Europe: Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Macedonia, Montenegro, Serbia and Slovenia?
- What are the differences with the developed world in terms of business culture, stability of property, purchasing power, enforcement of the protection of intellectual property rights, ability and willingness of the banks to financially support franchising, amount of disposable capital with entrepreneurs, expected skills of new franchisees by franchisors, affordable amounts of entrance fees, and last but not least what is the threshold of ethical standards of franchise conduct in our region?
- Who should assist in the development of domestic franchise concepts or will they emerge by themselves when the time comes?
- What are the mechanisms of introducing foreign franchise concepts (e.g. master franchising) to our countries, if they come from the countries with established tradition of franchising or if they come from the countries with less experience?
- Should someone care in the appearance and entry of nonsense and quasi franchise systems?
- We have experienced several pop-ups and disappearances of domestic and foreign franchise systems, which make the statement that franchising is recession-proof quite un-realistic for our region. What are the consequences for further growth of ethical franchising business?
- Have the governments of our respective countries realized the potential of franchising for the development of successful business network of SMEs?
- What are the prospects of domestic franchise systems for growth of SMEs in relation to the innovative potential of franchise networks?
- In what way could the European Franchise Federation assist us?
- What are the current opportunities for franchising in the region?

In the developed world survival of the franchise units of established franchise systems is substantially higher in comparison to independent small enterprises. 4 out of 5 franchise units survive the first 5 years upon start-up, while this is the case for only 1 out of 5 independent start-ups.

#### Who will attend?

- Local and international franchisors
- Would-be franchisors
- Would-be franchisees and existing franchisees
- Policy makers in the related fields of commerce, trade and finance
- SME and franchise specialists
- o CEOs, network managers
- o General audience interested in franchising, media

Participants from the Central and SE Euorpean region are expected to take part in the conference. *Participants from other countries are also welcome.* 

#### Conference fee and other cost

There will not be any participation fee. The participants are expected to attend all sessions of the conference.

Expressions of interest will be appreciated to E-mail address: Igor Pavlin, <a href="mailto:igor.pavlin@guest.arnes.si">igor.pavlin@guest.arnes.si</a> with cc. to <a href="mailto:barbara.gnilsak@tzslo.si">barbara.gnilsak@tzslo.si</a> Tel. +386 1 56 82 331

#### **Languages**

The working language of the conference will be English. The participants from the neighbouring countries of ex-Yugoslavia may be assisted only in discussions if they would use Serbian, Croatian or Bosnian languages by their colleagues – participants.

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# **Program**

### Thursday, 19 June, Morning

9.30 Registration of participants

10.00

#### **Opening**

 Welcome addresses by DG International Center for Promotion of Eenterprises, CEO of the Chamber of Commerce of Slovenia, President of the Slovene Franchise Association

10.30

#### **Session 1**

 Introductory presentation and mobilisation of energies of the participants of the conference: Objectives, programme and proceedings. Franchise systems in transitional economies: (Igor Pavlin with comments of other resource persons)

# International franchising: entry of foreign systems and export of domestic systems

- Entries of international franchise systems, cases of transitional economies:, introductory presentation (*Igor Pavlin, SFA*)
- Legal issues of entry of international franchise systems the case of Czech republic (Barbara Kušak, legal expert, Czech Franchise Association)
- Re/Max (Real estate franchise) Modern concept of a franchise system cases of master franchising in Slovenia and Austria, Igor Horvat, master franchisee)
- Body creator (Slimming for women, Ljiljana Kukec, owner of the company):
  Yardsticks of international expansion in neighbouring countries,
- IQS, I quit smoking, (*Nikola Oršanić, master franchisee*)
- Russian restaurant chain Rosinter (Svetlana Knyazeva)

General comments and questions Wrap up of the Session 1 by the chairperson

# Thursday, 19 June, Afternoon

13.30

#### **Session 2**

### **Trends in Franchising in Central and SE Europe**: new EU member countries

- Poland: Polish franchise market and presentation of example(s) of Polish export franchisors (Andrzej Krawczyk, Akademia Rozwoju Systemów Sieciowych, Warsaw)
- Hungary: Hungarian franchise market: domestic and foreign systems, match making by Dakexpo, International expansion of Hungarian systems (Katalin Mandel, CEO Hungarian Franchise Association) Systems offered by Dakexpo, Budapest (Dr. Kathlin Mandel and others) Alain Delon (France – Fashion clothes), Quadlight (The mobile public advertisement)
- Czech republic: Banks and franchising (Barbara Kušak, Czech Franchise Association)

General comments and questions Wrap up of Session 2 by the chairperson

#### 15.00

#### **Session 3**

- Croatia: Croatian Franchise Association, Pro Maturo, Franchise Center, Osijek (Ljiljana Kukec, president of Croatian Franchise Association and Pro Maturo, Aleksandar Erceg, Franchise Center Osijek)
- Serbia: Franchise centre, Franchising trends in Serbia (Ms. Marica Vidanović, senior advisor, Serbian Chamber of Commerce)
- Slovenia: Issues and solutions in Slovenian franchise development: Tops and flops (Igor Pavlin, Slovenian Franchise Association)
- Bosnia and Herzegovina Franchise Centre in Vitez: Opportunities for domestic and international franchise companies (Tomislav Raić)
- Macedonia: Opportunities for franchising in Macedonia (Goce Veljanoski, President)

General comments and questions Wrap up of Session 3 by the chairperson

#### **Session 4**

Growth of the franchising sector in India

- Jayashree Dubey and A Jagan Mohan Reddy: Indian Franchising: A Potential Ahead
- Rachapudi Padmaja Indian Retail Franchising Prospects and Challenges
- Nandita Sethi Indian Franchising: Growth and Prospects

## Friday, 20th June, morning

9.00

#### **Session 5**

Proposal of establishing a network of Franchise Associations and Franchise centres in the Central and SE European region with the following objectives:

- Exchange of information on franchising practices in the region
- Match making the franchisors' offers and requests with franchisees' demand
- Cooperation in educational activities in the region
- Assistance to franchise association to become members of the EFF

#### 10.00

#### **Session 6**

# Introductions and Expo: cases of international franchise systems: offers for the region

- OBI (Germany household equipment)
- Re/Max (USA real estate)
- Rosinter Restaurants (Russia)
- Švejk restaurants (Czech Republic)
- BHS (UK)
- Koncept Buši, Slovenia
- Other concepts
- Concluding statements by participants