

Promoting Diversity in Franchising

Franchising is an excellent opportunity for all. If you are interested in promoting the economic power of franchising for diverse entrepreneurs and communities, here are the common barriers:

EDUCATION & NETWORKING

Marginalized communities may not have access to the same networks and resources, making it difficult to find information about franchises, or how to start a franchise

BIAS IN THE FRANCHISE SYSTEM

Unconscious bias can hinder marginalized communities from franchise and employment opportunities, as franchise owners and franchisors may unconsciously favor candidates who resemble themselves.

ACCESS TO CAPITAL

Marginalized communities face obstacles in obtaining traditional financing for franchise capital and may need alternative financing options, such as partnering with a non-operating financial backer or exploring creative funding solutions.

LEGAL & REGULATORY

Traditional franchise agreement terms may not lend themselves to folks from minority communities given the barriers above.

IDEAS TO COMBAT BARRIERS

- Mentorship programs
- Partner with community organizations
- Manage to own programs
- Discounted franchise fees
- Crowdfunding
- Community development funds
- Microloans
- Education efforts at universities
- Implement policies to prevent discrimination or bias
- Unconscious bias training for your teams and franchisees
- Reduced royalties
- Longer payment schedules
- Conservative development schedules
- Affinity groups in your organization/industry



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