

# Chains of gold

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Franchises are confident that the economic downturn will not affect their businesses in a negative way despite the Australian Chamber of Commerce and Industry showing a marked decrease in consumer confidence. IBISWorld statistics show that the franchise industry has been rapidly growing and making profit with Refund Home Loans leading the charge by achieving average growth revenues of 142 per cent, per annum. Oporto expects that the number of franchisees entering the market will increase with job security lowering. This has contributed to SumoSalad's increased presence and revenue growth. Fast food has many winners in the franchise industry including Grill'd, Crust and Espresso Essential. Companies should be wary when dealing with franchisees and learn the lessons that Kip McGrath Education Centres, **Telcoinabox**, Poolwerx and Domino's Pizza have learnt. The biggest winner was Appliance Tagging Services, a company that tests electrical equipment.

Franchises such as Jumping J-Jays have found it difficult to find willing franchisees to the point where owner of the company, John Newton gave away an entire franchise in Melbourne. There are ways in which the federal government could help franchises through tough times according to Wild Cards & Gifts, Brazilian Butterfly, and Essential Beauty. Up to 25 per cent of companies on the BRW Fast Franchises list will establish franchises overseas according to IBISWorld. This may be to avoid many of the key issues named by Nando's Australia, Crust Gourmet Pizza Bars, Appliance Tagging Services, Healthy Habits and Ecowash Mobile. Despite this some clever franchises have now features on the Fast Franchises list more than four times including Gloria Jean's Coffee, Mortgage Choice, Nando's Australia, Fernwood, Howard's Storage World, The Athlete's Foot and The Coffee Club.

IBISWorld, job security, Oporto, SumoSalad, Healthy Habits, Australian Chamber of Commerce and Industry, Fernwood, Mortgage Choice, The Coffee Club