

# CFABSSA1

## Support clients that are considering or using structured business formats



---

### Overview

This is about providing support to clients that are considering or using structured business formats. Structured business formats include franchising, direct selling, licensing and distribution. It will be most useful for business advisers and consultants who, as part of their general business support service, provide signposting and support to clients who want to use structured business formats.

# CFABSSA1

## Support clients that are considering or using structured business formats

---

### Performance criteria

*You must be able to:*

- P1 understand the client's requirements and identify relevant facts including:
  - P1.1 the type of structured business format the client is using or is interested in;
  - P1.2 whether the client has already committed to a structured business format agreement; and
  - P1.3 whether the client is considering taking over an existing structured format business or starting up a new one
- P2 help clients considering structured business formats to understand their advantages, disadvantages, components and costs and evaluate the suitability of different options
- P3 support clients considering structured business formats to research the business sector they want to join and investigate the success of similar businesses
- P4 help the client to research what initial and ongoing support is available from the organisation offering the structured business format opportunity
- P5 explore what the relationship with the organisation offering the structured business format opportunity involves and consider if it suits the client's business and personal needs
- P6 help the client prepare to meet any entry or assessment criteria required by the organisation offering the structured business format opportunity
- P7 encourage the client to ensure that they are aware of all legal responsibilities and industry regulation
- P8 encourage the client to obtain legal and other professional advice to make sure they fully understand the implications of any contracts, agreements, leases and other legally binding documents before they sign
- P9 help the client to explore other sources of information and support that will help to make an informed decision about structured business formats, including professional bodies and accreditation services
- P10 identify when additional support is necessary and broker relationships with specialists

# CFABSSA1

## Support clients that are considering or using structured business formats

---

### Knowledge and understanding

*You need to know and understand:*

#### **Information gathering and signposting**

- K1 where to find information about structured business formats and what additional support your client can expect to receive (For example relevant associations and specialist publications)

*You need to know and understand:*

#### **Evaluate a structured business format opportunity**

- K2 the features and restrictions of different structured business format options (for example territory, product range, and exit options)
- K3 how to identify the initial costs of setting up a structured business format (for example initial franchise fee, premises and equipment)
- K4 how to identify and estimate the ongoing costs involved in running the business (for example start up fees, product purchasing arrangements, royalties, compulsory services and renewal fees, exit charges or penalties)
- K5 how to identify, understand and, where appropriate, meet the requirements of the organisation offering the structured business format opportunity
- K6 the value of the structured business format opportunity, including the less-tangible assets of reputation, relationship with suppliers and goodwill of customers
- K7 how to find out why an existing business is being sold
- K8 how to evaluate whether the cost of the structured business format represents value for money, including how to evaluate the re-sale value of the business
- K9 what type of initial and ongoing support might be available from the organisation offering the structured business format opportunity (for example training, promotion and advice)

*You need to know and understand:*

#### **Support relationships**

- K10 when and where to get professional, including legal and financial, advice to assist your client in negotiating contracts and to make sure they are fully aware of the implications of subsequent agreements
- K11 where to get specialist help when you reach the limit of your expertise
- K12 the relevance of accreditation of a structured business format, including;
  - K12.1 the code of practice an organisation, offering a structured business format opportunity, has to follow;
  - K12.2 the extent to which an organisation, offering a structured business format, has to be established;
  - K12.3 the support the client may be able to receive from the accreditation body if things go wrong (for example if the client wants

# CFABSSA1

## Support clients that are considering or using structured business formats

---

to terminate an agreement);

K12.4 the success and failure rates associated with accreditation; and

K12.5 the impact of the accreditation on the resale of the business

# CFABSSA1

Support clients that are considering or using structured business formats

---

**Developed by** CFA Business Skills @ Work

---

**Version number** 1

---

**Date approved** August 2006

---

**Indicative review date** August 2008

---

**Validity** Current

---

**Status** Original

---

**Originating organisation** Sfed

---

**Original URN** SF2

---

**Relevant occupations** Business, Administration and Law; Business and Finance Associate Professionals

---

**Suite** Business Support on Structured Business Formats

---

**Key words** business, support, advice, structured, format, start, replicating, replicate, networks, networking, quality, evaluate, maintain, effective, relationships, contact, roles, views, clients, resourcing, financing, development, investment, contractual, obligation