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**SECTIONS**

[Home](#)  
[Frontpage](#)  
[Nation](#)  
[Corporate](#)  
[Columns](#)  
[Nuance](#)  
[Mobile](#)  
[About Us](#)  
[Contacts](#)  
[Portfolio](#)  
[LogisticsWeek](#)  
[Economic Report 2003/04](#)  
[CEO Award](#)  
[Enterprise 50](#)  
[7-Day News](#)

Thursday, June 03 2004



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## Franchise sector potential yet to be fully exploited: Francorp

By ZAIDI ISHAM ISMAIL

MALAYSIA'S franchise industry still has room to expand, particularly for business owners who want to boost earnings but lack financing, Francorp Malaysia Sdn Bhd president and chief executive officer Affandy Abdul Raof Faiz says.

He said Malaysia's franchise industry generated about RM10 billion revenue last year.

"Malaysia's franchise industry has yet to be fully exploited. There is still so much potential. As a comparison, the industry in the US was valued at US\$1.3 trillion (US\$1 = RM3.80) last year," Affandy told Business Times.

"A new business has a 90 per cent probability of collapsing but a franchise-based business has a 90 per cent probability of thriving," said Affandy.

Francorp is a leading franchise and consulting development firm. It recently opened its doors to Malaysia to help entrepreneurs who want to start a franchise empire overseas.

The Chicago-based one-stop franchising business solution provider has more than 30 years of experience and has developed more than 2,000 franchisors worldwide and counselled more than 8,000 companies in 40 countries.

"We hope to assist 10 clients in our first year and the business idea could be either old or new. Each client takes between six and eight months to develop," said Affandy.

He said Malaysia has many strong franchisors at the home front but do not have the expertise to look for help when they want to expand their franchise empire overseas.

Local franchisors include Nasi Lemak Antarabangsa, nasi briyani operators (Maju Curry House, Pelita), Strudels cafe, Kyros Kebab, 1901 hot dog franchise and Merry Brown fast food franchise.

"We hope to assist local companies that want to franchise their business and make it big overseas, especially in Singapore, Thailand, Indonesia and eventually the US," said Affandy.

He said Francorp has already established a network in 21 states out of the 50 49 states in the US, making it easier for Malaysian businessmen to apply for a franchise licence.

The specialist in franchise development will assist in, among others, strategic planning, franchise agreements, market research, state filings and registrations, media planning, marketing materials, and franchise sales training.

Affandy said 90 per cent of the franchise business is food-based but it could also include other sectors like consultancy, accountancy and human resource services.

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Francorp is headquartered in Malaysia, and also oversees operations in Singapore, Thailand and Indonesia.

Francorp is a member of the Malaysian Franchise Association and is registered with the Entrepreneur and Cooperative Development Ministry.

Some of Francorp's clients include Nestle, BP Express, Mobil Oil, American Express, Auntie Annes Soft Pretzels, Shell Oil, Amoco, Kentucky Fried Chicken and Ace Hardware.

Malaysia has about 300 franchisors registered at the Registrar of Franchise.

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