



Franchising and beyond as new Business Creation Tools

■ Government's roles

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■ Summary: 1- Short presentation of Directorate

2- On Franchising/Main numbers

3- Public policy towards small enterprises

and Development of Franchising



Franchising and beyond as new Business Creation Tools

■ Government's role(s)

- In a liberal economy where the market rules are respected, Has the Government a (or several) role(s)?
 - If yes! This is limited and its main characteristics:
 - Support private initiatives
 - To find appropriate Tax measures
- To protect franchised by facilitating accesses to law and regulations
 -



A GOVERNMENT DEPARTMENT In the service of business growth

- (1)
- The DCASPL, a **government department**, develops, runs, guides, evaluates and inspects
- It is supported by **local liaison offices**, the Regional Officers for Trade and Crafts



A GOVERNMENT DEPARTMENT

In the service of business growth

(1)

- The DCASPL is **responsible** for **preparing** and **implementing** the policies and priorities set by the government.

Its primary role is to **brief** and **advise** the Minister, to **submit** proposals for action and to **implement** his decisions (legislation, regulation).



www.pme.gouv.fr

A GOVERNMENT DEPARTMENT

In the service of business growth

(1) Sphere of intervention

More than 2 million enterprises in the area of trade, crafts, services, the professions and SMEs in general

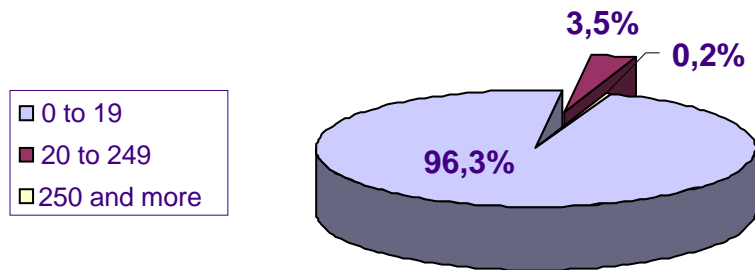
SME, a European definition

An enterprise with fewer than 250 employees

99.8% of all French enterprises are SMEs

The weight of SMEs in France

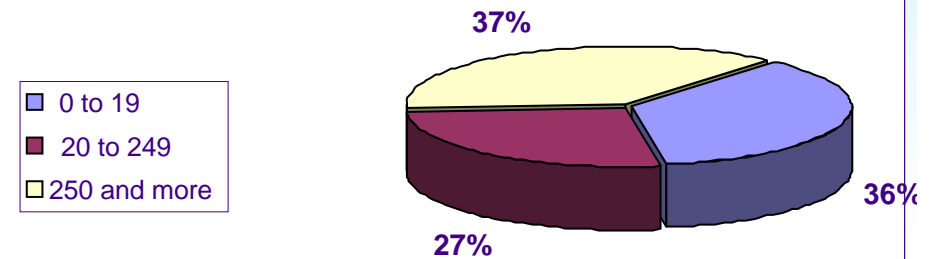
Breakdown of number of enterprises by size



(Source INSEE- -SIRENE- DCASPL)

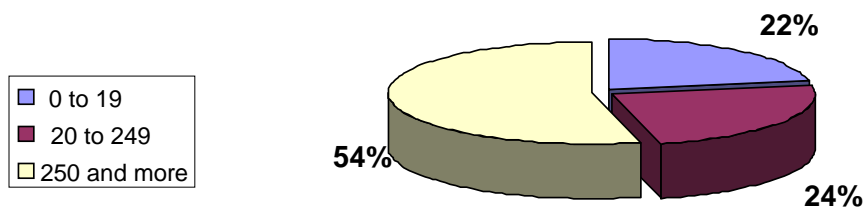
99.8% of all enterprises are SMEs

Breakdown of employees by size of enterprises



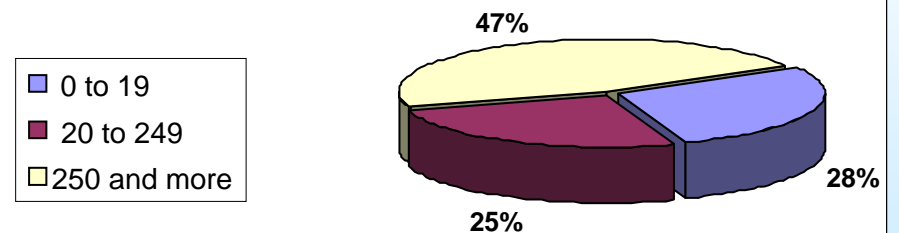
(Source DGI- INSEE- DCASPL)

Breakdown of sales by size of enterprise



(Source DGI- INSEE- DCASPL)

Breakdown of value added by size of enterprise



(Source DGI- INSEE- DCASPL)



Franchising and beyond as new Business Creation Tools

Government's role(s)

The desk which lead the preparation of the law, the regulations, which answer to questions from Parliamentary, NGO, People is a deputy directorate:

Legal and Labour Affairs

Developing regulations for the **legal and labour**

environment of enterprises and the liberal professions

Contributing to the development of specific regulations for certain professions and activities



Franchising and beyond as new Business Creation Tools Government's role(s)

Another deputy directorate has an important role:
Economic Affairs

- **Promoting** economic growth and competitiveness of enterprises
 - **Facilitating** their establishment, modernisation and financing
- **Processing** dossiers and procedures with regard to commercial infrastructures



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Franchising and beyond as new Business Creation Tools Government's role(s)

The main significant information's on franchising.

**France: the end of 2007 1037 Franchise networks 43680
franchised**

**2005, 929 Franchise Networks 39510 Franchised
(part of services is increasing)**

**France is leader in Europe and the first to have adopted the
concept of Franchise in Europe.**



Franchising and beyond as new Business Creation Tools Government's role(s)

Some numbers:

✓ In 2006, 43% of Franchised are women, they was only 33% in 2004

77% was salaries before, 91% for franchised below 40 years old

The average age of franchised 42 years old (43 in 2005)

The turn over is falling in 2006 (834 k€ against 900 k€ in 2005)

Franchising create real employment's , Franchise Networks use 6,3 persons (without franchised)



Franchising and beyond as new Business Creation Tools Government's role(s)

Why Public administration support the franchising sector?

First, Franchising has a strong link with Creation of Enterprises and consequently creation and/or strengthening employment

Before to lead a Franchised store after signing a contract, it is essential to create a company.

AND:

....



Franchising and beyond as new Business Creation Tools Government's role(s)

Why Public administration support the franchising sector?

AND:

- ✓ Franchising is an efficiently tool for women who research self-sufficiency, who want working,
- ✓ A tool for retraining employees, after a loss of job, to conquer their autonomy, to change their social condition, generally at 40-45 years old.

AND:....



Franchising and beyond as new Business Creation Tools

Government's role(s)

Why Public administration support the franchising sector?

AND: more generally,

- ✓ To develop and consolidates commerce in town centres, near consumer
- ✓ to improve the creation of young employment, The objectives' Government was to create 20.000 employment for young people
- ✓ to develop the economy about commerce, marks and innovations



Franchising and beyond as new Business Creation Tools Government's role(s)

Why Public administration support the franchising sector?

At the beginning, my question, Has the Government a (or several) role(s)?

**I think that it's possible to answer this question:
Government has not the capability to do anything, its role consists to regulate and support all policies which improve the economy of the country with all stakeholders!
Essentially:...**



Franchising and beyond as new Business Creation Tools Government's role(s)

Essentially:.. by tax measures, since 2003, many measures taken which lower taxes on invested capital, essentially for innovated enterprises

Taxes measures are the exclusive role of State, Parliament, Executive of the State. And the role of another ministerial department which insure and guaranty the main "Regulien" role of the State.



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Franchising and beyond as new Business Creation Tools

Government's role(s)

COMMUNICATION, Directorate develops a lot of paper, studies, information news paper towards SMEs: e publishing “Le monde de l’entreprise” that you are able to consult with www.pme.gouv.fr

where you'd find all the links with all e site for all organisations

On Franchising: « The Franchising in ten questions » “The Franchise” which shows the main characteristics of the laws concerning the sector and the trap to avoid for Franchised.

But, I have to talk about our direct partners which are in the concrete actions.



Chambers of Commerce, Industry & Trade and Training

- Administrative and financial **organisation and supervision** of :
 - Chambers of Commerce and Industry (Chambres de Commerce et d'Industrie - CCI)
 - Guilds (Chambres de Métiers et de l'Artisanat - CMA)
- **Promoting** basic and vocational training and apprenticeships



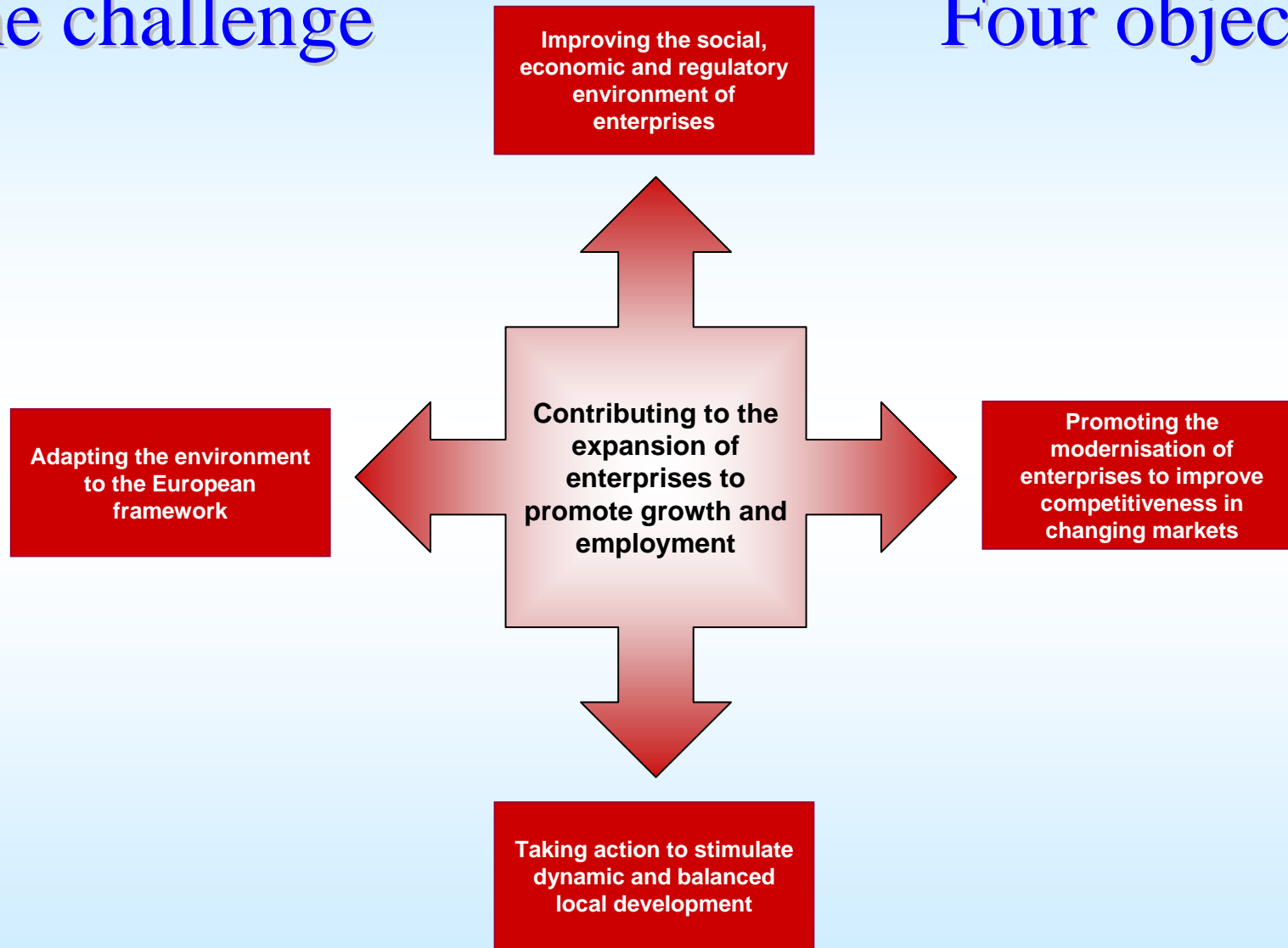
Agencies attached to the Directorate:

- Training Center for Technical Assistants in Trade, Services and Tourism (Centre de Formation des Assistants Techniques du Commerce, des Services et du Tourisme - **CEFAC**)
- Society for the Encouragement of Crafts (Société d'Encouragement aux Métiers d'Art - **SEMA**)
 - Crafts Institute (Institut Supérieur des Métiers - **ISM**)
- National Public Establishment for Planning and Restructuring of Commercial and Crafts Areas (Etablissement Public national d'Aménagement et de Restructuration des Espaces Commerciaux et Artisanaux - **EPARECA**)
- National Fund for Promoting and Communicating on Crafts (Fonds National de Promotion et de Communication de l'Artisanat - **FNPCA**)
- Fund for Distributing Resources Earmarked for the National Training Insurance Funds of Crafts Trade Organisations (Fonds de répartition des ressources affectées aux fonds d'assurance formation Nationaux des Organisations Professionnelles de l'Artisanat - **FNOPA**)



One challenge

Four objectives





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- ***Some news on internet***
- Thailand Franchise & Business Opportunities
- The largest franchise, licensing show in Asia
Next: 26 July 2007
- 3rd Edition the largest franchise, licensing and business opportunities show in Asia. TFBO 2007 is held in conjunction with Thailand Retail, Food & Hospitality Services 2007.
- Date: 28/06/2007
Source: infofranchise

The 34th International Small Business Congress
« Synergizing International Entrepreneurial Opportunities for SMEs »

Bangkok
11-14 November 2007

[Direction du commerce, de l'artisanat, des services et des professions libérales](#)