THE ANALYSIS OF KEY SUCCESS FACTORS IN FRANCHISE BUSINESS

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Abstract: The purposes of this research paper were to study the key success factors in franchise business, to examine the supporting factors and setback factors of the franchise business, and to offer a business management plan for the success of in franchise business. The population included all the franchisors of solid waste management. A purposive sampling method was utilized to obtain 400 samples. Statistics analysis included correlation coefficient, confirm factor analysis, one way ANOVA, and multiple regression analysis. The key success factors included internal factors of organization, financial stability, equipment, information technology, supporting factors, strategies, level of competition, external factors of organization, network, management system, and marketing plan.

Keywords: Key Success Factors, Franchise Business, Analysis.

I. INTRODUCTION

The garbage problems is one of the most important problems of the modern society and it is vital to solve it as soon as possible. The growth of population and the increase of investment result in the huge consumption every year. Therefore, the garbage problem is the problem with the growth of economic and society especially in the capitalization. Toxic Control Department (2013) had surveyed and reported that there were 26.77 million tons of garbage all over the nation and only 54 percent of the garbage had been effectively managed. About 27 percent of the garbage had not been effectively managed. Another 28 percent of the garbage were left to accumulate in the areas all over Thailand.

The franchise business in the garbage problems is one of the best way to reduce and reuse the garbage. Therefore, it is important for researcher to focus the study on the garbage franchise business to provide information for society to solve the garbage problem.

II. METHODOLOGY

The purposes of this study were to analyze the success factors of the garbage franchise business, to study factors contributions to the success to the garbage franchise business, and to study the ways to manage garbage franchise business successfully in the future. The population of this study included all franchisors in Thailand. By using the purposive sampling technique, the sample group included 400 franchisors. The data collection was performed during November to December of 2015. The research questions included what are the success factors for garbage franchise business? What are the contribute factors for garbage franchise business? And what the best way to manage garbage franchise business successfully. The tryout group of 30 was utilized to calculate the internal consistency and alpha coefficient according to Cranbach Method. The reliability of the variables must have the value in between 0.80-1.00. The research frame work of Mckinsey 7s was shown as follows:
III. FINDINGS

The findings revealed that the structure needed to be change from old rigid structure to be more flexible and open structure.

<table>
<thead>
<tr>
<th>Old Structure</th>
<th>New Flexible Structure</th>
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<tbody>
<tr>
<td>- Bureaucratic</td>
<td>- Less rules and regulations</td>
</tr>
<tr>
<td>- Red tape</td>
<td>- Focus on Leadership</td>
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<tr>
<td>- Too many layers</td>
<td>- Responsive to customers</td>
</tr>
<tr>
<td>- High level Management</td>
<td></td>
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<tr>
<td>- Overlapped function</td>
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System of management is important to the success of franchise business and need to be pay heed to in detail. In addition, the finding also revealed the important change of the system of management from the old system to the new system.

<table>
<thead>
<tr>
<th>Old System</th>
<th>New System</th>
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<tr>
<td>- Less information</td>
<td>- More information especially customers and competitors</td>
</tr>
<tr>
<td>- Information for management only</td>
<td>- Information distribute to all over the organization</td>
</tr>
<tr>
<td>- Training for top management only</td>
<td>- Training for all levels</td>
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In addition, the factors of success can be summed up into three groups. First, the money factor can be the indicator of success such as profit, working capital, cash flow, return on investment, and sales. Second, customer factors can be a good indicator of success such as level of customers’ satisfaction. Third, internal process of the business can also be the best indicator of success such as quality control, quality of service, safety, and effectiveness of the production process.

The factors of success of this study included internal factor of the organization, investment stability, equipment, technology, factor contribution, strategy, level of competition, external factor of organization, relationship with others, management system, and marketing plan.

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