



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

**MHR 3543: Franchising
Spring 2017**

Tuesdays and Thursdays, 11:10-12:30pm, Mason Hall 405

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Office Hours: Tuesdays 1-2pm and by appointment

Course Description:

This course will provide an introduction to franchising. The first part of the course will examine what franchising is and its impact on our economy. This includes the advantages and disadvantages of franchising and the types of businesses that should (and should not) use franchising as a strategy for growth. We will then examine the complexities of operating a franchise business, including key franchising policies, strategies for managing franchisees, and the management challenges of chain organizations. The second part of the course will focus on two special topics pertaining to franchise businesses: international franchising and human resource (HR) management in franchise businesses. We will examine the opportunities and challenges of international franchising, including factors that affect the decision to expand internationally as well as the different forms that international expansion can take. We will then explore the challenges of managing human resources in franchise businesses, including recent legal developments that influence how franchisors and franchisees make HR-related decisions.

Course Objectives:

- Understand the economic impact of franchise businesses.
- Explain what franchising is and the pros and cons of the franchise business model.
- Learn the complexities of operating a franchise business.
- Understand the opportunities and challenges of international franchising.
- Understand human resource management strategies and practices in franchise businesses.

This course will help students develop the knowledge necessary to succeed as a franchisee, franchisor, or franchise executive.

Required Text: Scott A. Shane. *From Ice Cream to the Internet: Using Franchising to Drive the Growth & Profits of your Company*. Prentice-Hall: Upper Saddle River, N.J., 2005.

Additional readings will be available online. These readings may include case studies, articles from professional and academic journals, newspaper articles, and/or book chapters. Materials or links to these materials will be posted on the Canvas course site.

Course Evaluation:

Exam I	25%
Exam II	25%
Group Presentation	15%
Franchisor Business Plan	25%
Class Participation	10%

Exams (25% each): The exams will cover all course materials. This includes lectures and assigned readings, as well as information from slides, handouts, class discussions, and films. Attendance is essential as some of the material discussed in class is not in the textbook. The exams may consist of multiple choice, true/false, short answer, and essay style questions. The exams will be held in class. Exam I will be on Tuesday, March 7 and Exam II will be on Thursday, April 20. Exam II will be a cumulative exam covering material from the entire course.

Group Presentation: To Franchise or Not to Franchise? (15%): Students will form groups and conduct an in-depth comparison of two chains operating within the same industry: one that engages in franchising and one that does not. Using information from the companies' websites, newspaper and business articles, and other credible sources, students will: 1) Describe the business model and characteristics of each chain in detail (e.g. number of outlets, employees, locations, products etc.) 2) Examine why one chain chooses to franchise while the other does not 3) Explain the advantages and disadvantages of each chain's strategy 4) Identify the long-term prospects and challenges for each chain. Groups are expected to prepare a 10 page report of their findings and make a 15 minute presentation in class on February 14/16. The grade for this assignment will be based on the quality of your written analysis and presentation. Group evaluations of member participation will be reflected in individual grades.

Franchisor Business Plan (25%): The franchisor business plan is a group assignment that involves identifying how a local business might expand beyond its local market through franchising. Students will be expected to draw on the concepts learned in class and data from similar businesses, interviews, local market statistics, etc. to provide a detailed plan for franchising the business concept (~20 pages). Students will be expected to demonstrate why the business should be franchised, how it is different from existing franchise offerings, plans for developing and managing the franchise business etc. Groups will present their business plan to a "shark tank" style panel of their peers, who will jointly decide whether the proposed business will receive funding. The grade for this assignment will be based on the quality of your business plan and presentation (20%), and your performance on a shark tank panel (5%). Group member evaluations will be reflected in individual grades.

Class Participation (10%): Attendance and class participation are important components of the learning process in this course. Students are expected to come to class having read the assigned materials and should be prepared to discuss them. In addition, we will also begin each Tuesday's class with an "In the News" discussion (see below). Active participation in these discussions is essential for a high class participation grade.

"In the News" Discussions: To increase your understanding and awareness of current franchising issues, we will begin each week with an open discussion of franchising in the news. Students are expected to follow the news and come to class prepared to discuss recent news articles on franchising related issues. This may include articles on franchisors, franchisees, industry associations, the legal context

within which franchising takes place, or the franchise relationship more generally but should be from reliable news sources. Discussions will be based on the following types of questions: What are the major issues? Why is it relevant to the franchise community? Who are the key players? What are the likely outcomes?

Deadlines: Exams must be taken on the scheduled day and time, and assignments are due at the start of class on the assigned date. No make-up exams or late assignments will be accepted unless there is a legitimate, documented excuse. All exceptions must be cleared with me prior to the due date.

Grade Appeal Policy: If you think your grade on an exam or assignment does not reflect the quality of your performance, you may submit an appeal. Submit a clear written explanation of what you are appealing and your reasoning within one week after the return of your exam or assignment. I reserve the right to re-grade all portions of an assignment or test. There will be no grading appeals after the one-week deadline has passed.

Office Appointments: I am available to discuss any issues on an individual basis after class or in my office. Please e-mail me to make an appointment for an office visit. To allow me to better prepare for your visit, please include in your email the topic you would like to discuss.

OSU Disability Policy: The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. You are also welcome to register with Student Life Disability Services to establish reasonable accommodations. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Academic Misconduct: The Ohio State University's Code of Student Conduct, Section 3335-23-04 defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct. The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Failure to follow the rules and guidelines established in the University's Code of Student Conduct may constitute "Academic Misconduct." Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. For more information, please reference: <http://oaa.osu.edu/coamfaqs.html#academicmisconductstatement>

Course Schedule and Assignments

Please note, the schedule below may change as we proceed through the course. Additional readings may be assigned and will be handed out in class or put on Canvas. You will be notified in advance of any changes and an updated syllabus will be available on Canvas.

Class	Topic	Assigned Readings
1/10	Course Overview	None
1/12	Introduction to Franchising: Economic Impact and Types of Franchises	IFA Report (on Canvas)
1/17	The Franchise Business Concept: When to Use Franchising	Chapters 1 & 4
1/19	The Advantages of Franchising	Chapter 2
1/24	The Disadvantages of Franchising	Chapter 3
1/26	Key Franchising Policies	Chapters 5 & 8
1/31	Recruiting, Selecting, and Managing Franchisees	Chapter 11
2/2	Franchisee Support and Assistance	Chapter 6
2/7	Understanding Chain Organizations: Company vs. Franchise Arrangements	Bradach Chapter (on Canvas)
2/9	Benefits of the Plural Form	Bradach Article (on Canvas)
2/14	Group Presentations	
2/16	Group Presentations	
2/21	Expansion Strategies	Chapter 9
2/23	Territorial Strategies	Chapter 7
2/28	The Legal Environment of Franchising	Chapter 10 & Additional Materials on Canvas
3/2	Guest Speaker: TBD	
3/7	Exam I	
3/9	Work on Franchisor Business Plans	
3/14	No Class – Spring Break	
3/16	No Class – Spring Break	
3/21	Guest Speaker: TBD	
3/23	International Franchising	Judd and Justis Chapter 22 (on Canvas)
3/28	International Franchising Case I	Starbucks in Israel (on Canvas)
3/30	International Franchising Case II	Burger King in Australia (on Canvas)
4/4	Human Resource Management in Franchise Businesses	Materials on Canvas
4/6	HR Case: Working for McDonald's	Royle Chapter & Articles on McDonald's (on Canvas)
4/11	Franchisor Business Plan Presentations	
4/13	Franchisor Business Plan Presentations	
4/18	Wrapping up and Review	Conclusion
4/20	Exam II	