“Legal and Regulatory Considerations in Global Franchising,” Franchising World

June 2015

There are many factors that will determine whether or not a franchisor will succeed in the international marketplace. Do you have the right partner? The full support of the organization? Are you in the right market? All of these are integral to success.

One element, however, is of particular importance for franchisors to consider: the impact of regulation on the planned international expansion. "No international expansion program can be rationally undertaken without an analysis of legal and regulatory issues in the very early stages of the discussions," says Gray Plant Mooty attorney Carl Zwisler, writing in the June issue of *Franchising World*.

Zwisler, a principal attorney who specializes in helping franchisors and stakeholders navigate the regulatory labyrinth of international franchising, offers a breakdown of several questions to which franchisors should seek answers *before* determining whether to do business in a particular country.

"Wise franchisors will obtain answers to their [regulatory] questions before deciding whether to do business in a country, regardless of the qualifications of a prospective franchisee," writes Zwisler. "They will not spend weeks negotiating with the perfect candidate only to learn that legal or regulatory issues either cannot be overcome or will impose such costs that entering into a franchise relationship in the country would be too costly."