Franchise Opportunity Analysis

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**Summary**

Starting a franchise is a lucrative idea for the right business owner. If the business has enough following and a product behind the name, then starting the franchise is an easier step. The company I have identified as being a possible franchise opportunity is Wildflour, which is a bakery located in Pawtucket, Rhode Island. Wildflour is a unique business by being a vegan bakery and smoothie bar that has a strong following throughout the health-conscious residents of the area. They also have their own following on social media with having almost 15,000 followers between Facebook and Instagram.

The reason they can be a franchised organization is for their name and product alone. Having the following that they do would make the franchise a successful idea, especially since they are able to cater to all different people through the ingredients that they cook with. They can be used for corporate events, birthday parties and for any health nut that wants to settle a craving, or someone who does not want to feel guilty about having another sweet. The negative side of becoming a franchise is that they are only special in the market area where they are located right now. Not everyone wants a vegan treat, as some say the taste is not as great as regular desserts and there are still some negative connotations around the word vegan for people who do not want to experience the food. Regardless, they will be able to expand under the right marketing, location and based off the brand recognition that they have already made in the state of Rhode Island.

Wildflour’s current location is a mile away from million-dollar homes, one of Rhode Islands' famous walking and bike paths, and their location fits the demographic of the area. Wildflour was started in 1941 by Reggie Jaffe, who wanted to lose weight and live off raw and live foods (wildflour.com). Many years later, her daughter opened The Golden Sheaf, which was Providence's first all-natural food market that had a tiny smoothie bar called Wildflour. Since Wildflour promotes gluten-free vegan foods and smoothies, they have fit into their market perfectly promoting healthier lifestyles.

**Critical Points**

**Business Concept**

Wildflour is a unique, yet popular destination across the state of Rhode Island. Focusing on the health of their consumers and being a green, vegan restaurant sets them apart from many of the bakeries in the area. Their niche market is made up of healthier individuals who want to get their sweet tooth satisfied, they also are able to create desserts that do not taste like your run-of-the-mill vegan bakeries. Instead, the flavors that they have are great tasting and made with the best ingredients.

**Franchisable Business**

Their following on social media is strong for a business in a small state, with having nearly 12,000 followers on Instagram and over 5,000 on Facebook. It makes sense why people would want to see their franchise considering this large following. Their price range is marked as two dollar signs on their social media profiles, making them affordable for most, and they can cater for parties, corporate events, and much more. The reason people use them for these big events is that they provide many allergy-free options which is great so everyone can enjoy them. As of now, Yelp has rated them the number 2 Vegan bakery in Rhode Island with a 4.5-star rating out of 537 reviews. The first place is Miss Vegan Plant Based Bakery with only sixteen reviews and five stars, so it is easy to say that Wildflour is in a league of its own.
 One of the top reasons why Wildflour should franchise is simply because of its product. Franchising is important and is possible if you have a product that consumers can get behind and that will do well in similar markets in different areas. If Wildflour were to franchise they would then be able to “increase market share and build brand equity” (Sherman, 2011). Which for a small state like Rhode Island, which would be possible. Other areas that they would do well in would be downtown Providence, where they have schools like Rhode Island School of Design, Brown University, and Providence College all in a close area. If they wanted to expand more across the state, they could look in locations near or in Newport, where they have Salve Regina University, walking is easy to get to locations and the demographics are like East Providence. Another area would be Bristol, Rhode Island where Roger Williams School is located and there are similar demographics. All of these areas across the state would be a great spot for Wildflour to open up their second location.
 Rhode Island helps out small businesses to grow through the “10,000 Small Business program which provides a package of tools to support entrepreneurs'' (Franchise Gator, 2022). Under the Rhode Island Franchise Law, it states that “Rhode Island is a franchise registration rate,” and under this registration, you need to register your “FDD with the Rhode Island Department of Business Regulation Securities Division” (Franchise Gator, 2022). The initial filing fee is $600, and the renewal fee is $300” (“Rhode Island franchise law,” 2022). Rhode Island does its best to make franchising relatively easy and affordable for companies to franchise. With the Small Business Care Act that Rhode Island also has set up, Wildflour would be able to utilize all these tools to become a successful franchise.

**Wildflour’s Niche**

Wildflour has fit into the niche of their market by creating their brand and is able to “create customer loyalty and build brand equity” (Sherman, 2011). Utilizing Porter's five forces framework, Wildflour can analyze the competition that they must face in the industry, the continuing of people opening their business, being able to keep up with the ongoing demand, economics that affect the world and the chance of the threat of substitute products (Sherman, 2011). The first step is the competition that they are facing, which are two quite different audiences. The first one is the different vegan bakeries that are opening in the area or ones that are established. This makes it difficult for Wildflour to have control over the market and remain one of the top vegan bakeries in the state. The next issue is the regular consumer. Many people do not eat just vegan products, and this is difficult for them. While they have their own following, they will always have a challenging time converting the regular consumer into eating vegan treats.

Rhode Island is heavily dominated by the Portuguese bakeries around the area. These areas are also starting to offer their own vegan options to have complete control over the market, which is a big threat that Wildflour could face. While Rhode Island has the 10,000 small business program, which would be great to utilize for franchising, it also sets up these smaller companies to enter the market and makes it difficult for Wildflour to be a unique vegan bakery. These issues make it more difficult to have fair prices and stick out more than the competitors.

The third force is the power of suppliers. Wildflour prides themselves for providing the best, cleanest, greenest products. The issue is that during the economic demanding times that we are in now suppliers have a tough time getting their products to their customers. This is an issue because the cost of goods can skyrocket and make it difficult for Wildflour to afford these prices, or it will create the issue of losing profits if they need to raise the price of their drinks. Wildflour is an affordable vegan bakery but if the prices were to increase a lot of their clientele may not stick around.

The fourth force is the power of the customers. The customers are the one that impacts a business the most. They are the ones that are able to determine how well a business will do, and it is up to the business to retain or get new customers. The more attentive the client base is, the more that the company will be able to promote to different demographics, have more competitive pricing and be able to branch out and have a stronger presence in their niche market. The last force is the threat of substitutes. This is unique for a company like Wildflour because it is about how there can be a substitute for a product. In this case, Wildflour is unique in its own respect. They are the substitute for people who need to have food substitutes, vegan options, and allergies that people have. In the case of Wildflour, the difference would be on the products that they use to bake and make smoothies with.

**Competition**

Wildflour has a few competitors in the area depending on which part of the market their competitors are focused on. There are other vegan bakeries, such as Miss Vegan Plant Based Bakery, which focuses on wedding cakes and big catering events, but do not have much of a specialized walk-in market. On the opposite side of town, there is Blush Bakeshop, which has pastries, but does not have milkshakes and smoothies. The biggest competitor of Wildflour, however, would be The Bakery at Plant City. This is because like Wildflour, Plant City is a staple in the Rhode Island vegan and vegetarian market. They have four dedicated restaurants, and these four restaurants all work with the bakery there for people's desserts. While these are all nonpublic companies, financially, Plant City is the biggest threat to Wildflour and is one of the few areas in the Greater Providence Area that has more to offer than Wildflour. The only thing tying Plant City down is that they are connected to the restaurant and not as strong independently. This could be a downfall to them if they ever wanted to branch out from the restaurant and focus on doing their own baking.

**Target Market**

The target market for Wildflour and its competitors are the consumers who need vegan options for personal or other reasons where they cannot have “normal” sweets. They can cater for large events since they are able to make allergy-free desserts and they also focus on the healthy consumer. Wildflour have smoothies for anyone managing their health, from all diverse kinds of tea and coffee drinks, and for people who need a quick bite to go to work. They work well on finding their demographic and then deciding on what these customers would be interested in. On top of their smoothie and pastry bar, they also have cold sandwiches, soups, and other foods throughout the day. Their operation hours from 7 am to 8 pm also work well with anyone commuting to and from work.

**Action Plan**

Having a 12-month action plan would be required in order to turn Wildflour into a franchise. Making sure that the action plan is tailored for Wildflour to turn the family business into a multiple location franchise is the next step. The first month would be talking to the family about how we can adapt their family environment and turn it into a training manual for all new employees that we would bring on. Using resources in the second and third month would be great as well. While they are an established company and having the required franchise amount would be affordable and finding the location for them would be important.

Month four would be dedicated to looking for where the location could be set up. The more efficient and profitable locations would make the difference and having them approved by the family of Wildflour would be the next crucial step. Since this will be their second location, it is important that they have a strong say in how this would develop. Month five and six would be dedicated to meeting with the suppliers of the original Wildflour and tackling expansion. Having the consistency in products would be important for people who know the brand already. Providing the vegan pastries, the healthy smoothies, and all other foods that they focus on taste the same would be important and having the vendor make sure they are able to deliver to the new location would make it beneficial for the company.

Months seven and eight would have the location set into place and make sure that the location matches the atmosphere of the first location. While other franchises have the same design interior, I believe that Wildflour can have their own unique position for the area in which they are located. The original location atmosphere is set up for the small outer city that they are in. They have nice painted walls and local artwork in that area. I believe that they should be able to follow the theme of wherever the next location would be. By month 10 and 11 it would be making sure that the right people are involved in the organization. Franchise owners and manager will need to find the staff to run the kitchen, smoothie bar, dishwasher, and so much more, which would be one of the final steps that would be needed for this process.

One of the best qualities of Wildflour is how friendly the staff is. The staff makes it a warm inviting environment and are always asking any questions that new or returning customers have. Their knowledge in the area is unmatched in the industry and they are able to cater each person. The last part of this step would be to focus on what local companies could support and help advertise the new location of the business. Creating an environment for Wildflour to belong in would help the launch of the franchise and get ready for the last and final month, Month twelve. Month twelve is the final month on getting the franchise set up to get off the ground. Having filed with the state, having the business all set and all other requirements would be all set for the last month. The staff should be fully trained and the building that they moved into would be all set to host. I believe the final and last thing to do would be to have a soft launch to see how well the public's knowledge of Wildflour is. Using their social media to help promote across the state to get people inside the door would be the last and final part of the 12-step plan.

**Conclusion**

Wildflour is a Rhode Island staple and one of the first plant-based, vegan bakeries in the area. They are the heavy influence for so many others opening up their doors because of the culture that they set here in Rhode Island. From going in my first time to having them cater for the company I work for, they have always had delicious treats for anyone. Their ability to navigate their market and create products to keep up with the ongoing market and competition is why they should become a franchise. They have created their product and have a well-established brand name to the point where people would be able to recognize it in another part of Rhode Island.

While I do not think this has the capability to become a global franchise, I do believe they could make some headway in Rhode Island and even some parts of Massachusetts. As of now, Wildflour has put itself into a unique position for the market where they would not have a challenging time competing against any other companies that would want to franchise a similar product in the area. I also believe that Wildflour falls into a great marketing process. Wildflour can easily match “the company’s strengths and weaknesses with the established demand” and they are “delivering the products and services more effectively and more efficiently than competitors” (Sherman, 2011). These marketing ploys that are already set up before they even franchise will make their product more desirable when they start-up in a new location.

 I believe in Wildflour. They have great food, friendly staff and when I go there are always people either in line or enjoying their time at the cafe. If they franchise, depending on where their next location would be, I would invest in the company. When you visit Wildflour on a Saturday or Sunday, you would witness the excitement that they have around themselves as a business, to the point where if you do not order ahead, you may not get your favorite treat in the morning. I believe in the branding, the product, the staff, and that it is a family-owned restaurant that would always have the best intentions for the company to feel comfortable investing if I had the means to invest. When a company is one of its kind and has the credibility to back it, then it makes sense to invest in the company.

**References**

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