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## 34. Features of franchising in Ukraine

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**Introduction:** In the study substance of such form of conducting of the business as franchising have been considered. The common features of the use of franchising in Ukraine have been analyzed. Also an analytical review of development of franchising in 2011-2013 have been pointed and identified preconditions of growth of the franchising market have been showed, and the problems of franchising development in Ukraine have been analyzed.

Stability in the economy and a developed market for small and medium businesses. For the appearance of progressive ideas business requires In Ukraine, SMEs are under development. In addition, given the state of crisis, it is very risky to start a business from scratch. More reliable is to use ready-made projects, ie those that offer franchisors.

Franchise serves as a corporate strategy of small and medium enterprises. It is therefore necessary to reflect the main characteristics, problems of franchising, the efficiency of its use in Ukraine in order to show all perspectives.

**Resources and methods:** At present, the study of the theory of franchising deal with such foreign scholars as Delta G., Kotler, P., J. Lambe, M. Mendelson among local scientists who investigated the problems of formation and development of franchising, it is worth noting: Kovalchuk, N., Boychuk I. Vynogradskaja A. Denysyuk V. Kuzmin A., Makashev M. et al. But research on the introduction of franchising in Ukraine was opened and required further development.

The purpose of this study is to analyze the development of franchising in Ukraine, review the terms of its distribution, form and consider the basic problem of doing franchise business in Ukraine, as well as offer solutions. When writing a work used methods: statistical, economic-mathematical, comparative analysis and time series. Economic-mathematical methods involve the use of computer technology and appropriate programs. The method of comparative analysis - to review the scientific works of Ukrainian and foreign researchers.

**Results:** Today one of the main features of franchising in Ukraine is that it exists only as a way of relationships, but the law clearly the category of "franchising" does not exist. Under the laws of Ukraine concept of franchising is treated as "commercial concession." During the 2011-2013 biennium in legislation been no significant changes, except for the fact that most government officials already understand the term "franchising" and curiously examine the possibilities for the development of economic sectors in the model.

Franchisors need to solve several problems: development of the concept of franchising companies. Development Vision franchise company, development Mission franchise, setting targets for the development of the franchise, calculation of business - plan and economic model future benefits from the introduction of franchising, calculation of lump sum payment and royalties franchise, determining the financial and legal risks, definition portrait of potential franchisees, when selecting the franchisee must pay attention to his experience in the market, experience in managing similar enterprise seed capital and sources of fixed and working capital, develop a marketing promotion component of the franchise.

Ukraine also has problems that prevent the widespread use of franchising schemes, the main ones are:

1. High cost franchises compared with low purchasing power of buyers;
2. The lack of qualified personnel;

3. Complex conditions and barriers to conducting such innovative forms of business as a franchise

**Conclusions:** Summarizing the problem franchising should be noted that the franchise has wide perspective opportunities for development in Ukraine.

Therefore, to solve these problems was suggested the following ways to solve them: creating Audit of the market franchise, create a training program to train specialists in the field of franchising, the extension of the application of franchisee simplified tax system and the creation of tax incentives in the initial stage of the franchise system, improving the legal framework or by bringing to end the draft Law of Ukraine "On the franchise" from 08.11.2001

The dissemination of information will promote franchise development, spending conferences and seminars on franchising, Franchising Association revitalization Ukraine, publication papers and booklets.

### **References**

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2. State of franchise market in Ukraine 2011-2012 [Electronic source] // Mode of access: [http://www.fdf.org.ua/index.php?option=com\\_content&view=article&id=145:-2011-2012-&catid=8:articles&Itemid=11&lang=en](http://www.fdf.org.ua/index.php?option=com_content&view=article&id=145:-2011-2012-&catid=8:articles&Itemid=11&lang=en)

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