Advice for franchisors thinking about global expansion.

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Going international is not black and white, there are 50 shades of gray to almost every decision. Here are some protections to consider before leaping into international expansion.

Franchisors envisioning expanding their brand overseas have a dream: They see people handing over millions of dollars, promising to follow the plan, working 24-7 to promote the brand and sending even more money every time a new unit is opened. And better yet, they only have to phone these foreign franchisees once a month and visit once a year—unless the franchisee is in some exotic locale at which time the visits can be much more frequent.

Ahh, if only it were so, said Brian Duckett, director of the International Franchise Center in the U.K.

Duckett was one of three international experts throwing a bit of cold water on the audience's dreams at the International Franchise Association's international track at its recent convention in Las Vegas. The intention was not to discourage anyone, but rather to help ensure their dreams didn't turn into nightmares.

"Your vacation itinerary is not an international development plan," cautioned Duckett. Nor is the fact that someone wants to give you money to open one of your units in their country. "There are no shortcuts to international development," he said. "Treat it like a start-up business."

International development can be sexy, but franchisors always need to remember who brought them to the party—their domestic partners. Here are some of the tips from Duckett, as well as William Edwards and Jeff Kolton of Edwards Global Services, to keep the dream alive:

- International development can dilute your U.S. focus, so figure out your ROI for each country, noting the additional expenses of staff, travel and developing a supply chain;
- The Patriot Act requires Americans to know who you're doing business with, which can mean doing 30 to 40 percent more due diligence than in the U.S.;
- Don't talk to foreign investors unless you have trademarks already registered;
- Be realistic when it comes to upfront fees; take into account the economies of the countries you're in;
- Be cognizant of the number of countries you can award and properly support;
- Consider the first country you award as a "lab" to see how many units and countries you can support without diluting your U.S. operation;
- Review your current manuals to see if they can be reworked into pictorials and videos for training overseas;
- Do you have a trained staff member who can live there for three months or however long it takes?
- Businesses of equal size tend to get along better. (If you're a small franchisor pairing up with a large foreign entity with multiple brands, how are you going to be treated? One way to test it is to talk to other franchisors in the stable to see how they're being treated.)

Establishing a reliable supply chain is extremely important for restaurants going overseas in order to maintain the quality and to duplicate the original recipes customers expect.

Every step in the process is important, working from the finished food item backward to the origin of the raw ingredients. Here are just a few of the many questions to ask your staff:

- Can we get the fresh ingredients needed for recipes?
- What are the costs and timing of importing, shipping, customs, logistics, etc.?
- What are the government's regulations on food coloring and additives?
- Has your IP protection extended to your menus as well as your marks?