



CASE STUDY TWO:

FRANCHISEE OF ENGLISH LANGUAGE SCHOOLS

**'WE SHARE THE CONCERNS
OF THE FRANCHISEES'**



Natanaël Wright, above, founder and president of the Wall Street Institute in France, is both franchiser and franchisee with the famous brand of English language schools. Born in England to a French mother and British father, Natanaël is currently based in Paris.

The Wall Street Institute is not just a brand; there is a whole teaching system behind the name which already existed when my father decided to set up the first Wall Street Institutes in France. My father liked the fact that there was a ready-made method that made economic sense as well as a brand name. For most English language

schools, the content of the course depends on the teacher and therefore can be quite variable. In our case, 70 percent of the content relies on the method. There is also the business model, the way of thinking and the advertising strategy. The Wall Street Institute is an international franchise. I'm both the franchiser for France and one of the franchisees at the same time. I have 28 franchisees in France and the international headquarters have 20 franchisees. It's quite a common configuration for global brands. It's very difficult for a company to be so far away from the market especially when it's a very hands-on business like the Wall Street Insti-

tute. The headquarters sometimes prefer to receive lower royalties rather than having to manage an exponential number of teaching centres worldwide. The amount of work involved in running that number of franchises from such a distance just wouldn't be worthwhile, operationally speaking.

As national franchisees we get quite limited support from the international franchisers, but that makes sense as they are sharing their royalties with us. We get the fundamentals such as the method and any improvements on the method from the international section. Then as franchisers, we provide the franchisees with on-going training, national scale marketing, meetings and information sharing. If a franchisee is having problems and not making sufficient profit, we would intervene and try to figure out what the problem is and then provide the necessary training to help the franchisee. We have already had the experience of schools going out of business. For instance, when the schools in Orléans and Le Mans, held by the same franchisee, went under we stepped in and took over the centre in Orléans and organised for another franchisee to acquire Le Mans. We do that in order to protect our reputation; if someone has paid for classes with the Wall Street Institute then it's essential that they get the course they paid for. The main advantage of the French structure for the franchisees is that if the international franchiser decides to put into place changes that are good for the franchisers and not necessarily for the franchisees, for example an increase in royalties, then I have to think not only from the point of view of a franchiser but also from that of a franchisee. When you're a franchisee what really counts is the profit you make. As a franchisee, I run the centres in the Paris region, most of Lyon and one or two other towns. A company like ours generates 10 percent of its income as a franchiser and 90 percent as a franchisee so we would never do anything to jeopardize our main source of income. It's a definite advantage for the members of our network, as we share the concerns of the franchisees. www.wallstreetinstitute.com.