Growth Location Decision Sheet

LoftyBiz 046 · Second branch, franchise or partner? Growing locations.

These are examples, not promises. Figures are illustrative, in US dollars, and are not targets, forecasts or typical results. General business education, not financial, legal or tax advice. Rules differ by country. Get local legal advice before you sign. No contact details.

Point 1 · Pass the “runs without you” test first

Worked example: Sanjay, bakery café, Kathmandu. Sells about $18,000 a month and makes around $4,000 in profit. He was still opening the doors at 6 a.m., and his phone rang about 30 times a day. Five steps: 1) run the away test — four full weeks, no opening shifts, no ordering, no staff questions except actual emergencies; the first-week log had 40 entries; 2) split the profit — only profit that happens without you can be copied; about a third of his profit depended on him being in the room; 3) strip the model — menu 60 → 24 items, recipe cards, opening and closing checklist, one-page weekly numbers (sales, waste, labour cost, customer reviews) kept in Systex; 4) appoint a location manager with actual authority — Priya got a $300 spending limit, a complaint budget, the right to change the rota, and pay that was half fixed salary and the rest a share of café profit; Friday role-plays; 5) set a gate — open the next location only after 6 months of growth without him (the clock restarts if sales or reviews fall); the new café would cost about $40,000, so he wanted at least 6 months of first-café profit in the bank.

Sanjay · Kathmandu (USD, example)	Before	After
Sales a month	$18,000	—
Profit a month (first café)	$4,000	grew 6 months in a row with him out
Phone calls / log	about 30 a day; first-week log 40	40 → 3 calls a week
Menu items	60	24
Manager authority	needed him constantly	Priya: $300 limit, complaint budget, rota, profit share
New café cost / gate	—	$40,000; open only after 6 months of growth
Second café / both together	—	covered costs by month 4; both about $7,500 a month

He tracked the away log and the weekly numbers in Systex. Example figures, not a promise.

Point 2 · Choose the right vehicle

Worked example: Ana, laundry and dry-cleaning, Panama City. Her first shop already ran well without her. Five steps: 1) do the return math — second shop $60,000 to open, about $30,000 a year in profit, a 2-year payback (a 1-year payback makes owning very attractive); 2) look at who does the opening work — for Ana, success was local, so a partner or franchisee made more sense than owning; 3) be honest about franchising — a serious franchise needs a proven model, manuals, legal documents and a support team, and can cost hundreds of thousands of dollars; for one or two shops it usually comes later, if ever; 4) test the partner — Diego, her supervisor for 6 years, bought in for $8,000; Ana kept the lease and the brand; the new shop pays 5% of sales for brand and systems, and they split the rest of the profit 50-50; a lawyer put it in writing, including failure; terms and weekly numbers lived in Systex; 5) pick one model, write a one-page decision letter, and commit.

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Ana · Panama City (USD, example)	Figure
Cost to open a second shop	$60,000
Expected profit a year (if she owned it)	$30,000
Payback if she owned it	$60,000 ÷ $30,000 = 2 years
Diego's buy-in	$8,000
Brand and systems fee	5% of sales; Ana keeps lease and brand

Rest of the profit	50-50
Opened / first profit	opened in 3 months; profit by month 5
Ana's earnings from the partner shop	about $1,900 a month, less than 2 hours a week

A second supervisor is already training for shop number 3. She tracked the partner shop’s sales and her time in Systex. Example figures, not a promise.

This week

#	Action	Done
1	Start a 7-day away log: every time your team needs you, and why.	
2	Write your cost to open one more location, and the yearly profit you would expect.	
3	Write what you would need from a partner: money, experience or time.	
4	Name one person on your team who could run a location one day.	
5	Put this week's list into Systex.	

Blank numbers for your own business

Your numbers (USD)	This week	After (date: _____)
Away-log entries in 7 days		
Cost to open one more location		
Yearly profit you would expect		
Payback (cost ÷ yearly profit)		
Person who could run a location		