

**AGRICULTURAL UNIVERSITY - PLOVDIV**  
**FACULTY OF ECONOMICS**

**NORA HAJRULLAH SEJDIU**

**ECONOMIC ASPECTS OF THE MANAGEMENT OF THE  
FRANCHISE IN KOSOVO WITH THE OVERVIEW OF  
AGROBUSINESS IN KOSOVO**



**Author's summery**

of dissertation for awarding the educational and scientific degree "doctor" in the scientific field  
"Organization and Management"

## FRAMEWORK OF THE RESEARCH

The research of the proposed doctoral dissertation is aimed primarily at determining the attractiveness of the franchise business in the agribusiness of Kosovo, which can be determined through the realization of the following research goals:

- Determining the basic theoretical starting points when defining a franchise business,
- Selection and interpretation of the basic indicators for economic justification and quality of business operations that will be covered by the research,
- Determining the form of business activity with a franchise,
- Examination of the values of the selected economic indicators in the research sample,
- Defining the franchisee's views on satisfaction with the stated values of economic indicators,
- Proposed measures and activities to improve the number and quality of business under the franchise system in Kosovo.

**The main goals of the research are stated, the determination of which is primarily in function of the scientific justification of the proposed doctoral dissertation.**

The chosen topic covers the interdisciplinary structure of knowledge acquired at the faculty. The expected contribution of the research on the chosen topic is in the expansion of the field of knowledge integrated from several scientific fields, and especially from the field of economic sciences. The social justification of the research is determined by the fact that the concept of franchising is at the very beginning of its realization. Kosovo does not have a clearly defined development strategy, but so far there are no specially defined fields for its concrete realization.

The results of the research can provide valuable information about the current state of the franchise and the justification for accepting this concept to stimulate the economic, and thus the economic development of Kosovo. A special contribution will be provided by a comprehensive economic analysis of the success of the acceptance of this concept, presented through the business operations of the companies in Kosovo that implemented the franchise in their business.

Respect for the nature and complexity of the research subject and the level of scientific knowledge condition the application of a number of scientific research methods. The modeling method was used for certain projections in the field of franchising. The statistical method was used to classify phenomena that are directly or indirectly related to the franchise business. Using this method allowed me to systematize the data.

The application of the historical-comparative method will serve to consider the circumstances that have established the framework of franchise business in recent years. Among the basic methods, the following methods were applied: analysis, synthesis, classification and generalization.

The method of analysis-synthesis, as the only scientific method, will provide a more complete understanding of the important features of the development of the

franchise in recent years and will contribute to a more complete identification of the impact of certain factors.

From the data collection methods, the analysis of the content of the documents and free oral interviews will be applied. This method will be used to analyze (qualitatively and quantitatively) the research, as well as to analyze various sources of domestic and available sources of foreign literature and other documents and to analyze the content of the testimonies of eminent experts in this field.

## **BASIC BEGINNING OF JUDGMENTS (HYPOTHESES)**

Basic Hypothesis: The economic indicators for business activity in Kosovo are positive.

In accordance with the basic, six secondary hypotheses were defined:

- 1) The payback period for franchising in Kosovo is less than seven years.
- 2) Accumulation rate in the franchise business in Kosovo is higher than 10%
- 3) Franchising profits in Kosovo tend to grow.
- 4) There is no adequate banking support for starting a franchise business in Kosovo.
- 5) Franchisors in Kosovo are able to pay compensation to the franchisor from their current operations.
- 6) Franchising in Kosovo creates an environment conducive to job creation.

The technology of work for the preparation of the dissertation will take place in the following phases:

- Introduction to domestic and world professional and scientific literature in the field of franchising and economic data analysis.
- Concept of research (elaboration of research methodology, preparation of research instruments, determination of the sample).
- Conducting research (collecting research material, surveys, conducting interviews, content analysis, etc.).
- Processing of collected data and their interpretation.

The preparation of the dissertation takes place in parallel with the stated phases, in consultation with the subject mentor.

## **CONTENT OF THE DISSERTATION**

### **INTRODUCTION**

1. METHODOLOGICAL BASIS OF RESEARCH
2. THEORETICAL DEFINITION OF FRANCHISING
3. ECONOMIC PERFORMANCE INDICATORS
4. TYPES OF FRANCHISING
5. EMPIRICAL RESEARCH "ECONOMIC ASPECTS OF ENJOYING BRANCHIS FOR FRANCISIS IN KOSOVO"
6. FRANCISE MANAGEMENT IN AGROBUSINESS IN KOSOVO

### **CONCLUSION**

### **RECOMMENDATIONS FOR NECESSARY RESEARCH AND ACTIVITIES**

### **LITERATURA**

## 2. THEORETICAL DEFINITION OF FRANCHISING

The term "franchise" was first used in medieval France. At that time, "franchise" was the name of the agreement between the king and the city council, which guaranteed the management rights of the city council within its activities, as well as in relations with the state. Such cities that had a "franchise" were called "VILE FRANCHE".

Based on several definitions provided by the International Franchising Association (IFA), The European Franchising Federation (EFF), Deutsche Franchise Verband, a franchise is a set of rights that means name - brand, design, management methods, know-how, ongoing support, etc., that the franchisor (franchisor) gives to the franchisor (provider) of the franchise) with adequate compensation and an obligation to the rights of either party are not infringed and this contract usually lasts five years or more.

Doing business on your own, but without the risks inherent in entrepreneurship, is every businessman's dream. This opportunity is provided by franchising as a business concept created in practice, which is based on the rental formula for the success of a well-known and successful company. A franchise agreement is the most developed method for vertical marketing of goods and services, which "rents" the image and success of a well-known and successful business entity. The philosophy of franchising combines the two greatest advantages of independent business, independent business without much risk.

The course of building a franchising system is specific in itself and therefore the strength of the franchising system lies in the good choice of partners. Finding and investing / introducing a franchise that you will access is extensive testing work. The process begins with examining the franchising system we want to access, ie the person - the company that wants to access us. In order to determine if the system can work, a prototype is used - a pilot unit that represents at least one successful unit that works in the way we want to give to the franchise.

The philosophy of franchising is based on four basic postulates applied in the franchising business and they are a consequence of cloning and multiplying the business identity of a reputable entity. These are the following settings<sup>1</sup>:

- Symbiosis - leaders and subcontractors - the partnership of the contracting parties is based on their compatible interests. The success of one party to the franchise agreement is a condition and guarantee for increasing the success and profit of the other party,
- Mimicry - creating the illusion in front of consumers that it is a single business entity, instead of the reality that it is a multitude of franchised units,
- The discrepancy between the legal and economic reality - economic connection through legal independence - opens space for numerous abuses by the service provider as an economically superior partner.
- The paradox - economic unity through legal pluralism - seemingly related and economically unique, legally independent companies - economic dependence on the legal independence of franchises.

Cloning the business success of a reputable franchisor brings with it some specifics of the franchise agreement, which are primarily the symbiosis of the franchisor and the franchisee, a kind of mimicry and appearance of identity before third parties, as well as the superior relationship of the franchisor and the possibility for its influence on business decisions. legal independence. Making a decision to enter the business franchising system brings with it a number of advantages, but also

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<sup>1</sup> <http://www.fransizing.com>

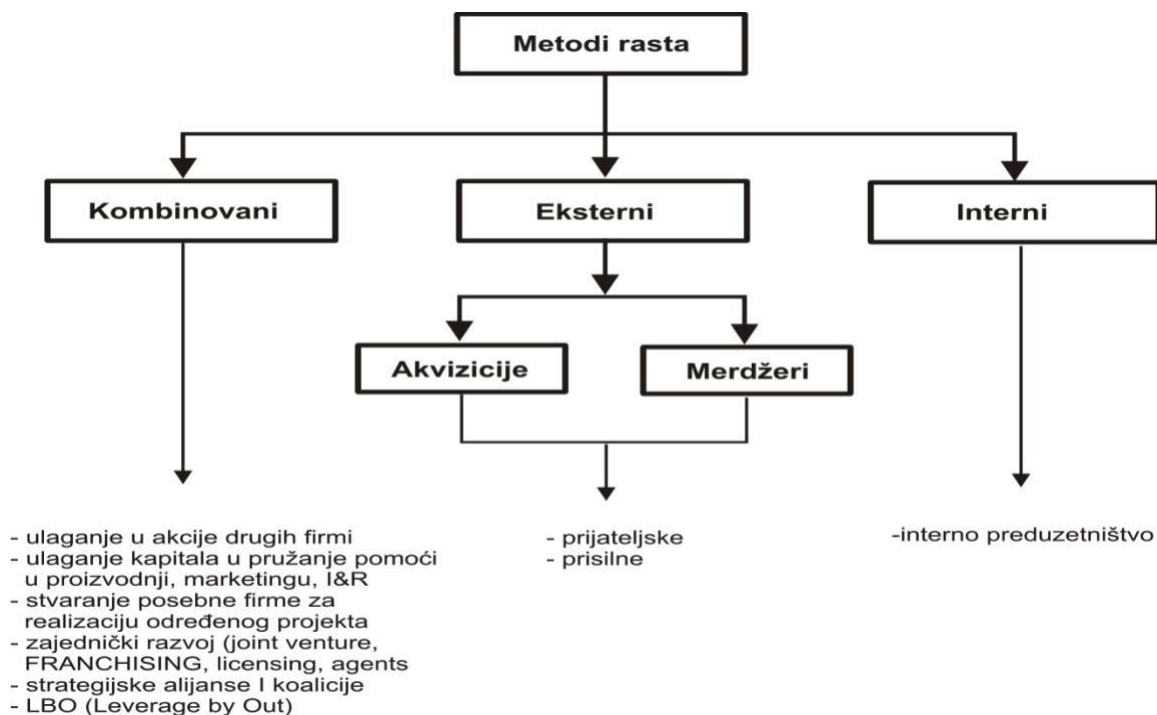
disadvantages, which are primarily reflected in the loss of independence in making business decisions.

Every business has strategic growth options that it uses to thrive. And these are:

- growth directions - where we plan to go,
- methods of growth - how to do it,
- growth rate - the speed with which we will progress or grow,
- Growth flexibility.
- ability to grow, ie the ability to adapt to change.

Here we see that franchising is a combination of external and internal methods of growth. The internal growth method combines its own financial resources and research and development capacities in the struggle for better development of one's company. Of course, we apply this method when the demand for our products increases. While the external method of growth is a way of growth through mergers, acquisitions and integration with other organizations; ie development with joint assistance with another organization, a combination of these two methods would represent several ways: joint venture, franchising, licensing, agents and others. From this point of view, Franchising is a method of growth of the organization that with the help of its resources and successful business will compile a manual that will be given to another company for a certain fee in order for it to successfully develop that way of doing business. Thus, the company that provides the franchise received income, without any obligation to work in that company, and the franchisee received a proven way of doing business and constant help from the company that succeeded in this business activity and an excellent opportunity for success.

**FIGURE 1: METHODS OF GROWTH AND DEVELOPMENT**



SOURCE: Mašić, B; Strategic Management, Belgrade, 2001. year; str. 225.

Franchising as a business strategy of the company and as a marketing concept has a great impact on the economy of a company, and thus on society as a whole. With the help of franchising, it is possible to influence the employment, the position of the balance of payments of a country, as well as the quality of the position of the consumers. One survey found that if there was no franchising,

52% of franchisees would certainly start their own business, while the remaining 48% were reluctant to do so. Therefore, one gets the impression that franchising does not directly increase the number of employees, but only speeds up the process. Another very important aspect concerns the economic situation of the recession. Namely, in that period the franchising systems show much greater flexibility and resistance to negative market trends. According to 2004 data in the United States, franchising employed more than 18 million people, or about 10% of the total number of employees in the private sector, according to a study by the International Franchising Association. According to that research, every seventh American is employed in franchising. The reason for so many employees in franchising systems is that franchises also have organized assistance from the provider. Also, an individual is more satisfied with himself if he runs his own business. With the help of franchising, the national economy improves the balance of payments position in such a way that companies selling franchises abroad receive compensation for it from other countries. According to a 2005 study by Price Waterhouse Coopers (one of the largest consulting firms), in 2004, more than 900,000 franchised institutions generated more than \$ 880 billion in direct economic output, or 4.4% of the total US economy. Provide jobs for more than 11 million workers in America, or over 8% of the total number of jobs in the private sector.

Experiences recorded so far in Kosovo show positive results, but the overall situation can not be assessed positively because the offered business model is not fully used. If we look at the United States and Canada, and more and more Germany, France and Great Britain, where in this way the production and sale of goods and services through franchising is realized, we can freely conclude that in our country it is possible to conclude a number of agreements. with world-renowned companies, which would create conditions for employment of a significant number of unemployed citizens.

In that sense, it is important to create favorable conditions for the development of a franchise business. Institutional consistency and stability are needed, which reduces the risk of investing in the economy, which can have political and legal significance. It is very important in times of economic difficulties for the franchise business to start realizing, which is a result of their vitality, adaptability, resilience and ability to accept risk.

The emergence of any large company, which is ready to expand its network through franchising, should be seen as an opportunity for a large number of small and medium enterprises. From an entrepreneurial point of view, this means the opportunity to start your own business with faster and easier entry into the supply market, reduced business risk and adequate operating profit, as well as faster return on investment.

From the point of view of the whole economy, this means the creation of a large number of new companies which, each for itself, invests smaller amounts of capital and thus redistributes risk to a larger number of business units.

The franchise business is accompanied by reduced market and financial risk, because the already acquired reputation of the franchisor company behind them, with a developed marketing system, facilitates their penetration into the market with a very small degree of their own investment.

Based on a comprehensive overview of the above, we can conclude that the development programs of small and medium enterprises, which are based on franchising, are a way to more easily overcome the increased political, legal and economic risk, which is present in the economies of transition countries.

## ECONOMIC PERFORMANCE INDICATORS

From the point of view of microeconomics, the basic economic principles for measuring success are: economy, productivity and profitability. The economy aims to achieve a certain production or service at the lowest possible price. It represents the relationship between production and the cost of its realization. It can be measured in value and in kind. Productivity tells us how much effort it takes to create a product. It is a very important indicator of business success and is therefore subject to constant monitoring and finding ways to improve. The goal is to achieve maximum results with minimal investment, which can be achieved in two ways: by increasing the total mass of the product or by increasing work performance. Profitability is the success of a business. It is the broadest economic indicator that strives for maximum profit with the smallest possible total engaged fund and represents the relationship between business results and invested capital. All these economic principles are interrelated and every successful business implies their observance and application in practice.

**LABOR PRODUCTIVITY** is a characteristic of labor for the production of a certain quantity of used values, ie goods, per unit of working time. Productivity is also called productivity. This tells us how many units of product workers can produce per unit time (for example, in one hour). A similar indicator is the intensity of work, where the intensity requires more effort of the employee (the employee puts more effort per unit of time). Increased productivity means increased production with the same consumption of labor. Productivity directly affects the living standard of the population. This impact is reflected in the fact that with high productivity there is widespread production with affordable labor costs, which allows higher consumption of the population or a higher standard. Besides that, the company can expect higher profits if it increases productivity, because with the same amount of work it can produce more goods or services. Productivity depends on the following factors:

1. expertise of workers (formal-school education and non-formal-extracurricular education)
2. Work experience of the workers - tradition in the activities in which the company is engaged
3. development of means of production - modernity of machines, devices, etc.
4. natural conditions - for example, higher productivity in cultivating quality land
5. The application of science in developed countries is the largest part of the scientific research related to production and has practical significance.
6. levels and types of technologies:
  - A. push (push) technologies that push products into the market (goods are produced and then customers are sought) The company influences the market and offers goods from its production program (which it can produce).
  - B. pull (pul-engl.-vući) technologies, are produced according to customer requirements (market withdraws products). The company researches the market and develops its product program based on customer desires. Interestingly, after a long mastery of traction technology, the time has come for

pressure technology (for example, the development of new types of mobile phones or computers is not dictated by customer requirements and orders)

7. organization of work and production. Every company should monitor labor productivity and take steps to increase it. The reasons for this are:

A. determining the exact level of productivity

B. perceiving trends in productivity changes

**ECONOMY** is the ratio of the total input of labor, means of labor and materials with the total quantity of products that correspond to the required level of quality. This was pointed out by Taylor at the beginning of the last century, in order to design production in such a way that funds are spent minimally.

$$E = CP / CK$$

where:

E-economics

CP - selling price (market value of the product)

CK - cost price (value of funds spent)

In terms of economy, everything is expressed in money, ie. in prices. We calculate the economy by multiplying the factors of the economy by prices. If we take into account the constant prices, we will get a natural economy:

$$E_n = CPS / CKS$$

where:

E<sub>n</sub>- natural economy

CPS - quantity of production multiplied by constant prices

CKS - consumption of production elements multiplied by constant prices. In order to be able to awaken the economy in a dynamic system, we must take into account the changes that occur in market prices, so that it will be:

$$E_o = CPT / CKT$$

where:

E<sub>o</sub>- achieved economy

CPT - the amount of output multiplied by current (market) prices

CKT - consumption of production elements multiplied by current prices



Normally, only some elements of the economy can be expressed. We call them the coefficients of the elements of production:

EM- coefficient of material economy

$$EM = Q / UM$$

YES - coefficient of economy of working hours

$$YES = Q / YES$$

EMČ- working time economy coefficient

$$WE = Q / UM$$

Where:

Q- quantity of product

UM - amount of material consumed

URC- working hours

UMC - time spent in the machine.

The value of the production coefficients shows how the materials or the working time of the machines or the workers are spent, which enables the implementation of the measures for improvement of those segments that do not meet the set criteria.

**PROFITABILITY** is the ratio of income, which is realized according to the activity of the company to the total engaged funds.

The funds engaged require the distribution of funds, and they are the basis for earning and generating income. The goal of the company is to achieve maximum income with minimum engaged funds. The assets generated by the sale of the company goods and services should cover the costs of fixed and current assets, settle other receivables and make a profit that may cause the company to expand reproduction. Without profitability, there is neither simple nor extended reproduction, and therefore the importance of profitability is great for the survival (simple reproduction) and development (extended reproduction) of the enterprise.<sup>2</sup>

Profitability can be seen as a cumulative indicator that includes productivity and economy. This is why the factors that affect the increase of profitability are the same as the factors of productivity and economy, such as: the expertise of the workers, the technological level in the company, the organization of work, etc.

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<sup>2</sup>Pushara, K; International Finance-Financial Management, Karic Brothers University, Zemun, 2004

## TYPES OF FRANCHISING

According to Thomas and Seid<sup>3</sup>, there are two types of franchises: product distribution franchises and business format franchises. This division should be considered in the context of the development of the franchising system, as the traditional concept of franchising refers to the granting of rights in relation to a product and a trade name and represents the link between the manufacturer and the seller when it provides part of the manufacturer's identity.

A product distribution franchise is a link between the manufacturer of a particular product, the franchisor and the trader, ie. franchisee, where the latter sells products produced by the franchisor. Distributors of Coca-Cola, Goodyear Gumi, Ford Motor Company and Deon Deer are all beneficiaries of the product distribution franchise. In this type of franchise, the customer usually sells a product that is manufactured by their franchisor. This type of franchise is most common in the industry for the sale of soft drinks, cars and trucks, various car products and gasoline. Products sold in product distribution franchises usually require some preparation by the franchise before the sale - as is the case with Coca Cola - or some additional after-sales service, as is the case with the Ford Motor Company. The most significant difference in a product distribution franchise is that the franchisor licenses its trade name and logo to the franchisee, but usually does not provide a business system. Although the product distribution franchise represents the largest percentage of total retail sales of all existing franchises, most of the available franchises today are business format franchises.<sup>4</sup>

Business format franchising or second generation franchise is characterized by open, ie. Ongoing business cooperation between the franchisor and the franchisee, which refers not only to the products, services and trademarks, but also to the whole business marketing strategy and plan, the way of working and the standards. quality control and continuous communication in both directions<sup>5</sup>.

Mc Donald's, Fornetti, Subway, Costa caffe and Dunkin 'Donuts are examples of business format franchises. In a product distribution franchise, the most important part is the product produced by the franchisor. The business format franchise also uses the trade name and logo of the lender, but more importantly, gets a complete system for delivering products or services and doing business. It is the system that creates consistency and consistency is the basis of franchise success. The business structure offers a detailed plan that explains how to do everything from scratch. The franchisee is trained to manage the construction of the building, to order appropriate equipment and, if necessary, to place signs<sup>6</sup>.

Scarborough and Zimmerer<sup>7</sup> explain this as a "success package" for franchisors. The success package may include prescribed business practices, such as manufacturing processes, business practices, procurement and sourcing practices, sales techniques, and access to information. This is the fastest growing form of franchising and a growing number of franchise systems are organized according to the principles of franchising in a business format.

The business format franchise is mutually beneficial to both the franchisor and the franchisee. The franchisee is obliged to pay an entry (commission) in this system, and after that he is obliged to constantly pay the copyright to the franchisor, which is a constant source of capital, which can be further used for the growth and development of the organization. In return, the franchisee receives a business package that has already been developed and validated in the market.

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<sup>3</sup>Thomas, D; Seid, M; Dummies Franchising, IDG Books, 2000, USA

<sup>4</sup>Popovic, N; Ondrej, .. Prokic, S; Inter-organizational relations management, Serbian Economic Center, 2010, p. 216

<sup>5</sup>Ibid., P. 216

<sup>6</sup>Ibid., P. 217

<sup>7</sup>Zimmer, Thomas W; Scarborough, Norman M; Business Management, Prentice Hall, 2005. Mishawaka, IN, USA.

In the context of the above, it is necessary to recall that the system is everything that creates consistency, and consistency is the basis of franchise success. The business structure offers a detailed plan for how to do everything from scratch. In order to ensure quality, the franchisor provides information on how and where to order the required products.

In addition to the two main types of franchises, Thomas and Said cite a third so-called conversion franchise. Although he says this type is not the third type of possible business franchise, it is a modified third form of standard franchise relationship. This relationship occurs when an independent entrepreneur, located in the same business area as the franchisor, accepts the services of the provider, trademarks and / or service marks and the business system. Examples of this type of franchise business can be found in real estate agencies, florists and various service activities such as electricians, plumbers and so on.

The further division of franchises, according to Lovric, identifies eight basic types of franchising:<sup>8</sup>

1. Manager franchise - The basic importance is to accept a small franchise manages a business that operates in several areas or with several teams of people. The franchisee in this case is directly involved in the franchise business. The best examples of this type of franchise are courier services franchises or franchises whose business activity is based on vehicles driven by e.g. courier services.
2. Multi-franchise or master-franchise - This type of franchise business activity means the possibility that the franchisee has the right to recruit other franchises for the same franchisor. The goals of this type of franchise are rapid expansion of a certain market, reliance on financial resources and staff of an external partner, common risk of entering an unknown market, increasing the credibility of the brand in the local market. However, negative forms of this type of business are possible, especially in case of loss of control of the local market in favor of a local partner which can be very strong, then there are difficulties in managing the franchise network in foreign markets, reduced inflow of cash and tickets,
3. Franchise Corner - This type of franchise business activity gives the trader the opportunity to dedicate only one part of his business to a particular franchise activity. Part of that store is arranged in a furniture way, which is determined by the franchisor in order to be recognizable to potential buyers. By entering into this type of business, the franchisee must provide workers who will be trained by the franchisor.
4. Co-branding - this type of franchise business involves the formal or free association of multiple brand names of different business concept owners. Such a business can be conducted under the same roof or cover large regions. Franchisors must be extremely careful and conduct research before deciding on this type of franchise business. In such a business there must be a synergy of the brand name and the concept, otherwise one franchise will weaken another. In doing so, precautions should be taken so that the name association strengthens the business, not the other way around. An example of such a business franchise is gas station grocery stores, which offer several franchises in one place.
5. Executive franchise - this franchise has forms in which the business is run by a person involved in financial services, personal services or project management. The office space does not play an important role because the work is done in the client's business space. Examples are tax consulting franchises, insurance claims and real estate.

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<sup>8</sup>Lovrić et al., Vodić kroz poduzetništvo, Hrvatska udruga za franšize i partnerstvo, Zagreb, 2003, p. 64

6. Retail Franchise - In this type, the franchise invests heavily in advertising, equipment and staff to help run a high-income business system. It can be sold later if the franchisee wants to withdraw from the business. The main difference in retail over investment franchise is that franchisors have the main say in choosing clients. Examples of this type of franchise business can be found in the organization of fairs and large gatherings, haute couture shops and audio-visual equipment.

7. Sales / Distribution Franchise - In this type of franchise business, the franchisee is in constant motion and sells and / or distributes products in a particular area and employs as many additional people as needed to fill all areas with a larger number of customers.

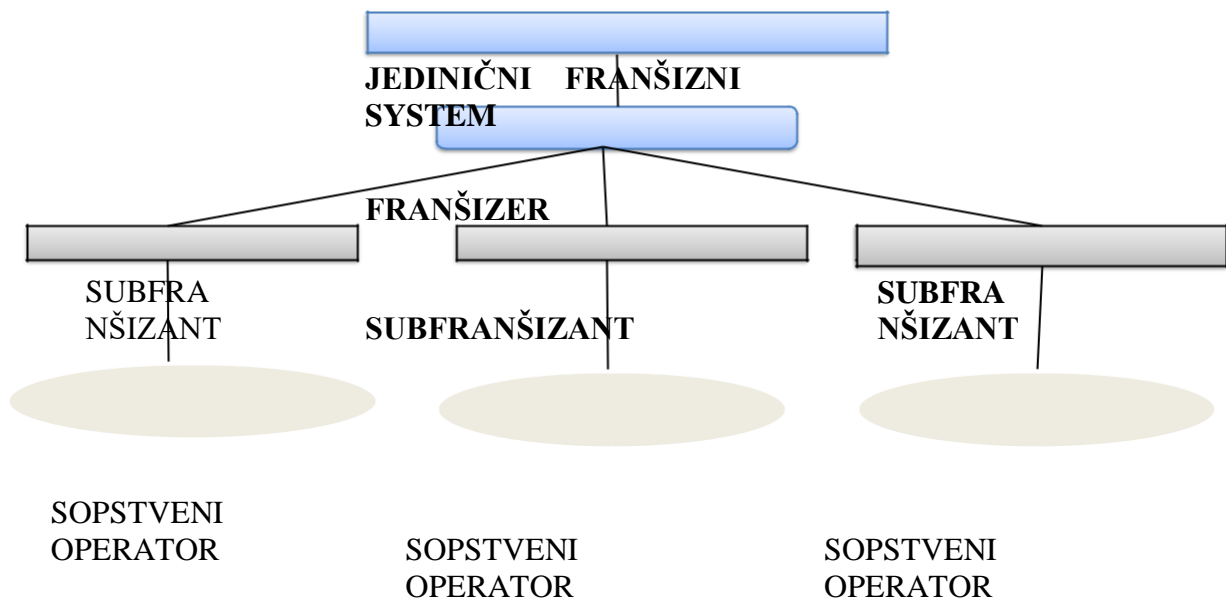
8. Mobile services - this type of franchise business is characterized by the fact that the franchisee enters the franchise system with less financial investment and the right to engage in services, which usually involve only one employee and vehicles. Areas in which this type of franchise business occurs are: repairs / installations in the area of cleaning, maintenance or motor services.

According to the way the franchise is expanded, we distinguish:

- (direct) franchise unit, where the franchisee opens only one franchise unit
- Multi-unit franchise, where the franchisee opens multiple franchise units.

Multi-unit franchising is divided into development franchising and general franchising or sub-franchising. Franchise unit deals are used when you want to open an individual store. In international franchising operations, unit agreements are not common, and when used, they are standard agreements.<sup>9</sup>. In Figure 3, we will present the scheme of the franchise unit system.

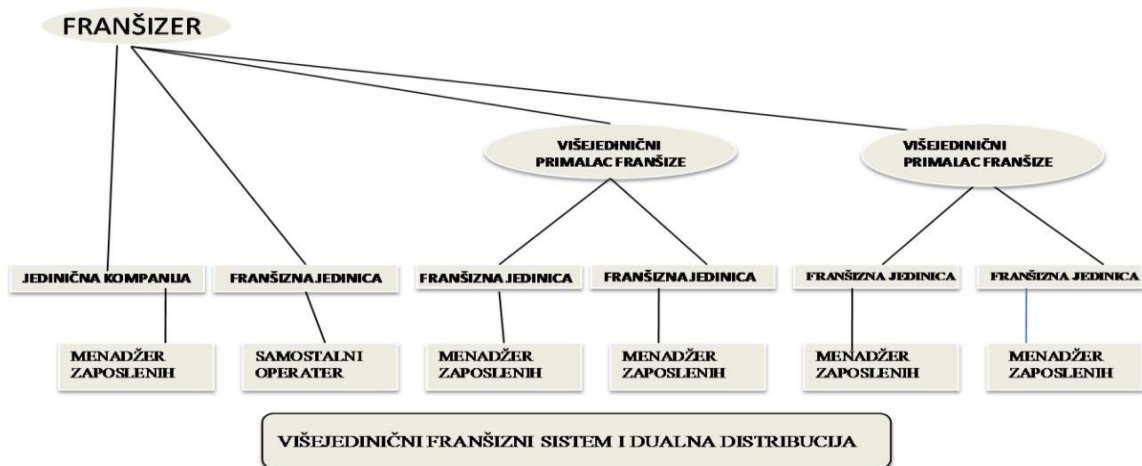
**FIGURE 3: SINGLE FRANCHISE SYSTEM**



SOURCE: Kaufmann, PJ, Eroglu, S; Standardization and adaptation in business format franchising, Journal of Business Venturing, 14, 1998, pp.69-85

<sup>9</sup>Parivodić, M; The right of international franchising, Official Gazette, Belgrade, 2003, p. 67

**Figure 4: MULTI - UNIT FRANCHISE SYSTEM**

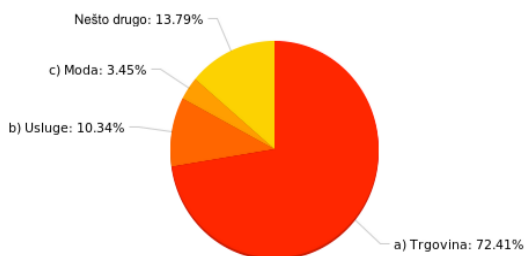


SOURCE: Kaufmann, PJ, Eroglu, S; Standardization and adaptation in business format franchising, Journal of Business Venturing, 14, 1998, pp.69-85

## EMPIRICAL RESEARCH "ECONOMIC ASPECTS OF ENJOYING BRANCHIS FOR FRANCISIS IN KOSOVO"

List the economic branch of your business:

- a) trade
- b) Services
- c) Fashion ite
- d) Other



Of the total number of surveyed companies, most are engaged in trade (72.4%), services (10.3%), fashion (3.5%), and the remaining 13.8% are engaged in other activities (answered with "something other" in the survey questionnaire).

Circle the result that best describes your competitive position once you start using the franchise business model for each of the features listed below. The rating range ranges from 1-significantly lower compared to the competition to 5-significantly better compared to the competition.

In 44.4% of the companies the growth rate of the employees after the beginning of the franchise period is better compared to the competition, 40.7% at the same (similar) level with the competition, by 11.1% lower compared to the competition, while in 3.7% of the companies it is significantly better than the competition.

The average score given by the respondents for the employment growth rate is 3.41, with a standard deviation of 0.75.

The growth rate of the accumulation is in line with the competition in 44.4% of the companies, better than the competition in 29.6% of the companies, significantly better than the competition in 18.5% and in 7.4% of the companies weaker compared to competition.

The average score given by the respondents for the accumulative growth rate is 3.59, with a standard deviation of 0.89.

The revenue growth rate is better compared to the competition in 48.2% of the companies, at the same (similar) level with the competition in 40.7%, while in 11.1% of the companies it is significantly better compared to the competition.

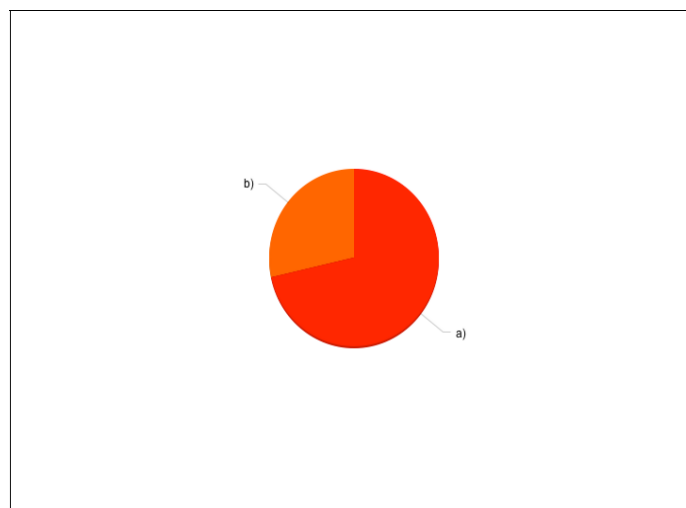
The average score given by the respondents for the income growth rate is 3.7, with a standard deviation of 0.67.

The sales growth rate is better than the competition in 40.7% of the companies, at the same (similar) level with the competition in 37%, while in 22.2% of the companies it is significantly better than the competition.

The average score given by the respondents for the employment growth rate is 3.85, with a standard deviation of 0.77.

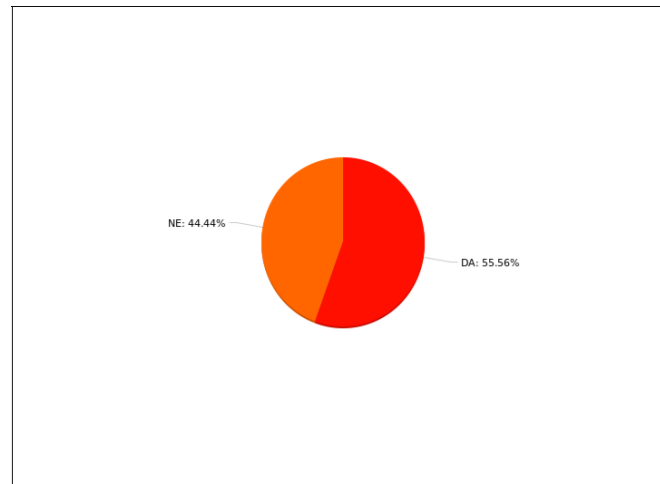
Circle one of the offered answers that, in your opinion, best describes the importance of the franchise business for the development of your organization:

- a) Franchising is the primary way for the development and growth of my organization.
- b) The franchise is of great importance for the development of my organization.
- c) The franchise has a small contribution to the development and growth of my organization.
- d) The franchise does not fit into my organization-related development plans.



About two thirds, 69% of the respondents consider the franchise as the primary way of development and growth of the company (a), while 31% think that the franchise is extremely important for the development of the company (b).

Did you pay the deductible when entering the franchisee's franchise business model?



55.6% paid a franchise fee when joining the franchise business model, while 44.4% of respondents did not pay a franchise fee.

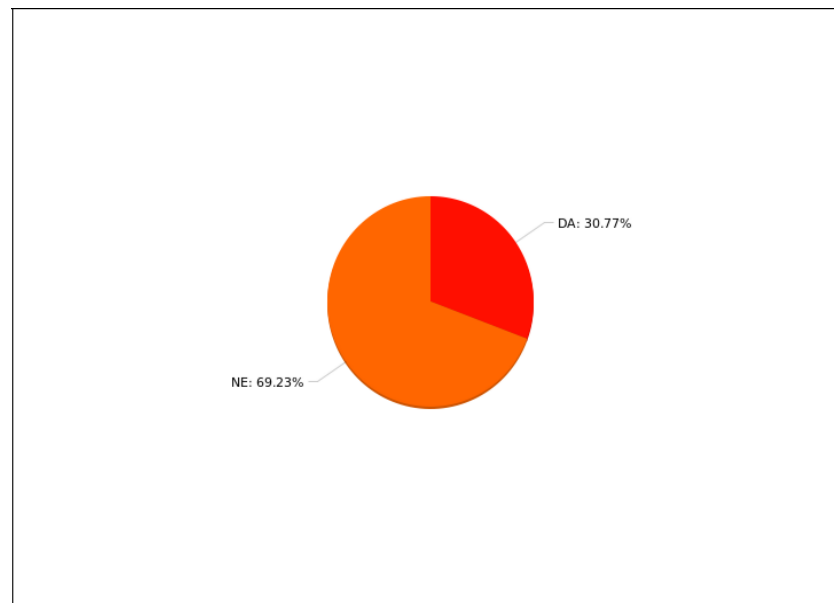
If you answered YES in the previous question, state the amount:

- a) up to 5,000 euros
- b) from 5 001-10 000 euros
- c) from 10 001-15 000 euros
- d) 15,001-20,000 euros
- e) 20,001-25,000 euros
- f) more than 25,000 euros

Of the respondents-companies, who paid a fee for the franchise, over half (53.3%) paid an amount less than or equal to 5000 euros, 20% paid between 5001 and 10000 euros and over 25000 euros, while from 15000-20000 euros paid 6, 7% of the respondents-companies.

Do you pay a fee for marketing activities organized by the franchisor of the franchise business model?

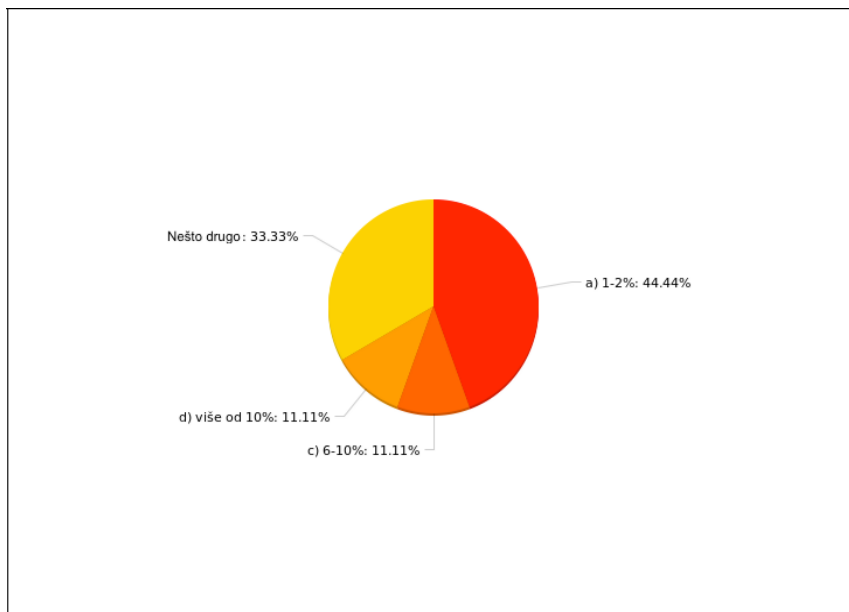
Answer (Yes / No)



Over two thirds of the respondents (69.2%) do not pay a fee for marketing activities, organized by the provider of the franchise business model, while the rest of the respondents, 30.8%, pay.

If you answered YES in the previous question, select a percentage:

- a) 1-2%
- b) 3-5%
- c) 6-10%
- d) more than 10%



Of the respondents who pay a fee for marketing activities, 44.4% of them are in the amount of 1-2%, 11.1% of 6-10% and over 10%, and 33.3% answered this question with something else from the respondents.

Of the respondents who pay other fees, 100% answered "yes" for franchisees, 50% answered "yes" for franchise managers and 50% "no", and the same for employees in the franchise unit (50% answered "yes" And 50% answered "no").

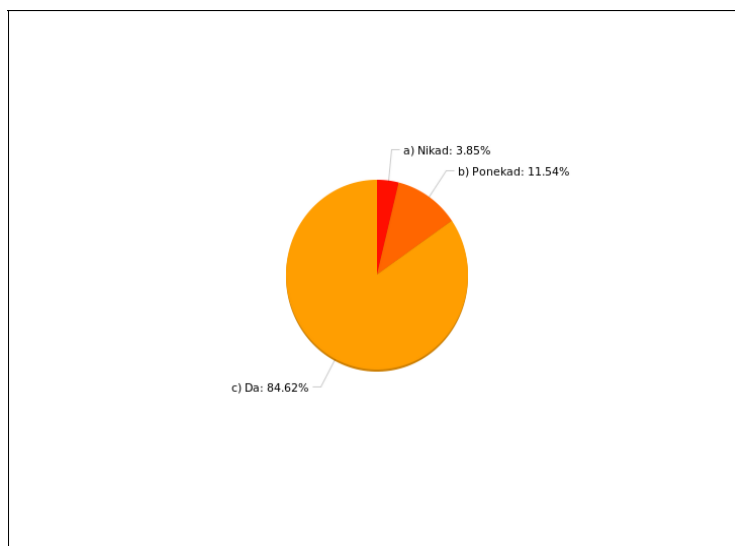
	NIKAD (1)		PONEKAD (2)		DA (3)			
	Σ	%	Σ	%	Σ	%	Ø	±
ZA PRIMAOCE FRANŠIZE	-	-	-	-	3x	100,00	3,00	0,00
ZA RUKOVODIOCE FRANŠIZNIH...	1x	50,00	-	-	1x	50,00	2,00	1,41
ZA ZAPOSLENE U OKVIRU FRAN...	1x	50,00	-	-	1x	50,00	2,00	1,41

■ Aritmetička sredina (Ø)  
■ Standardna devijacija (±)



Does the franchisor organize training within its franchise model?

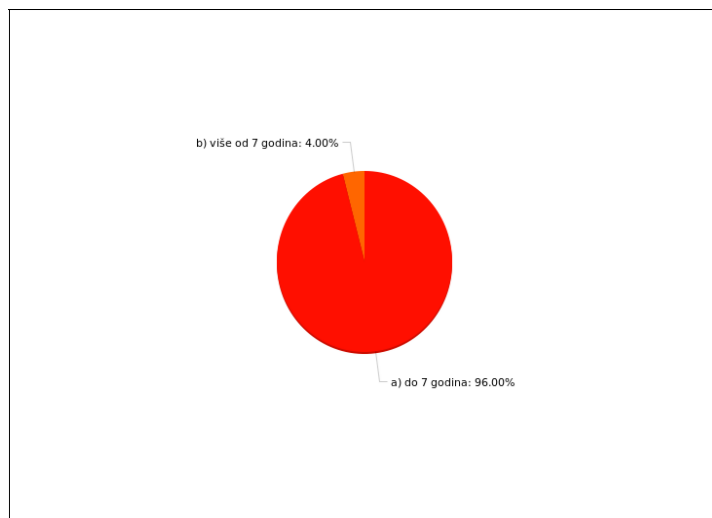
- a) Never
- b) Sometimes
- c) Yes



The franchisor regularly organizes training in 84.6% of the surveyed companies, in 11.5% sometimes organizes, and in 3.9% never organizes.

The time for which you returned the invested capital is:

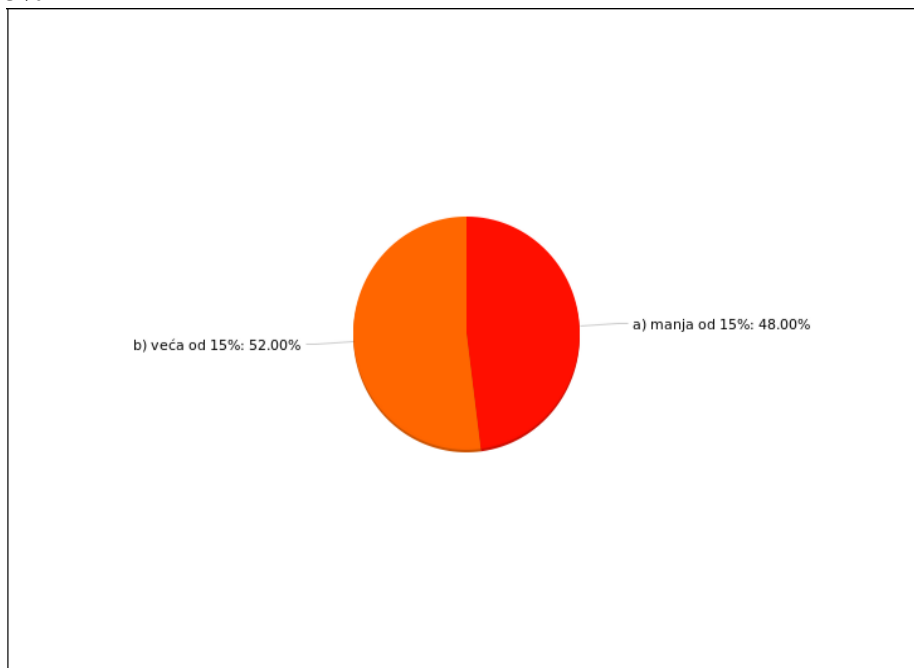
- a) up to 7 years
- b) more than 7 years



The return on investment occurred in the period up to 7 years in 96%, and in the period of over 7 years in 4% of the surveyed companies.

The accumulation rate is:

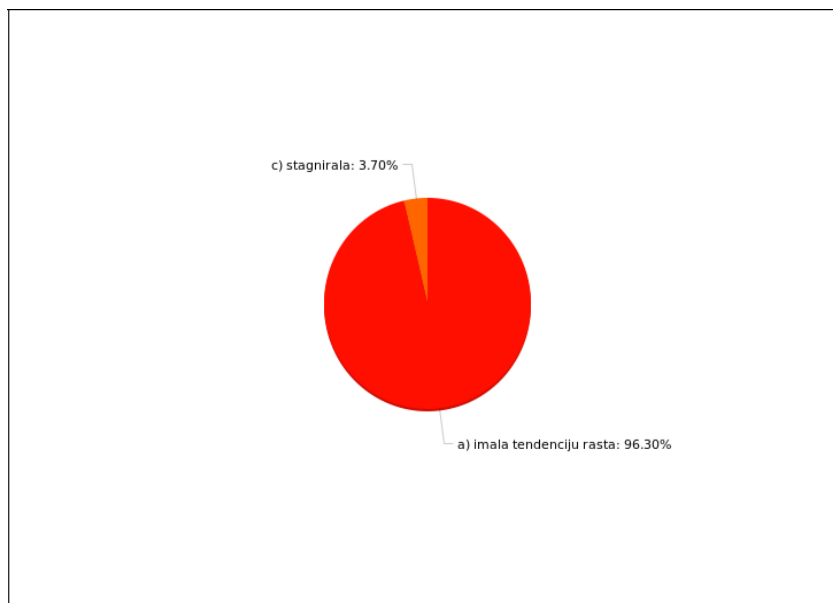
- a) less than 15%
- b) greater than 15%



Accumulation rate higher than 15% was registered in 52% of enterprises, and less than 15% in 48% of enterprises.

The profit during the business as a franchise is:

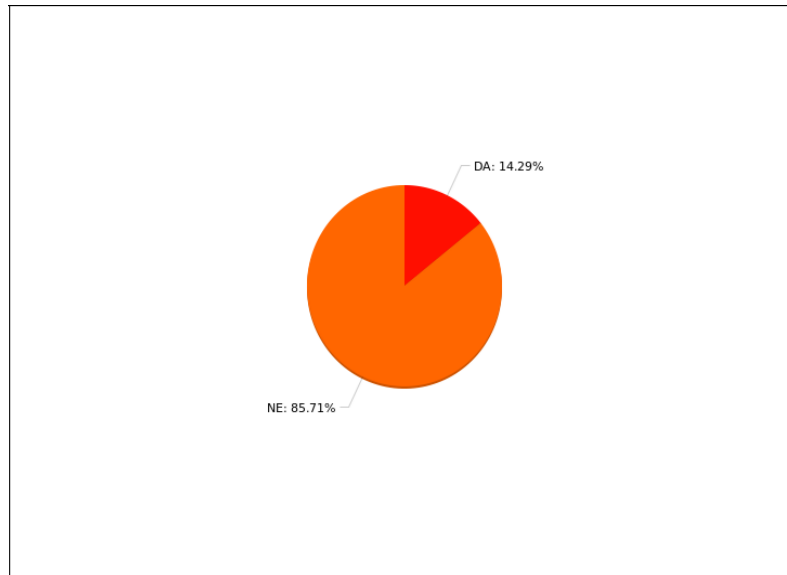
- a) tended to grow
- b) tended to fall
- c) stagnates



Profit in the period of business operations, as a franchise, had a growth trend of 96.3% and stagnated at 3.7% of companies.

When you started a franchise business, did you have the support of your commercial bank?

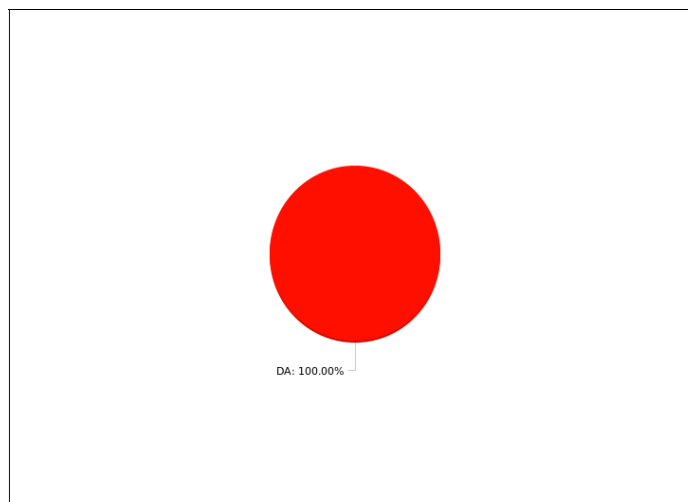
Answer (yes / no)



Only 14.3% of the companies had the support of their commercial bank when starting a franchise business, while the rest (85.7%) did not have the support of their commercial bank.

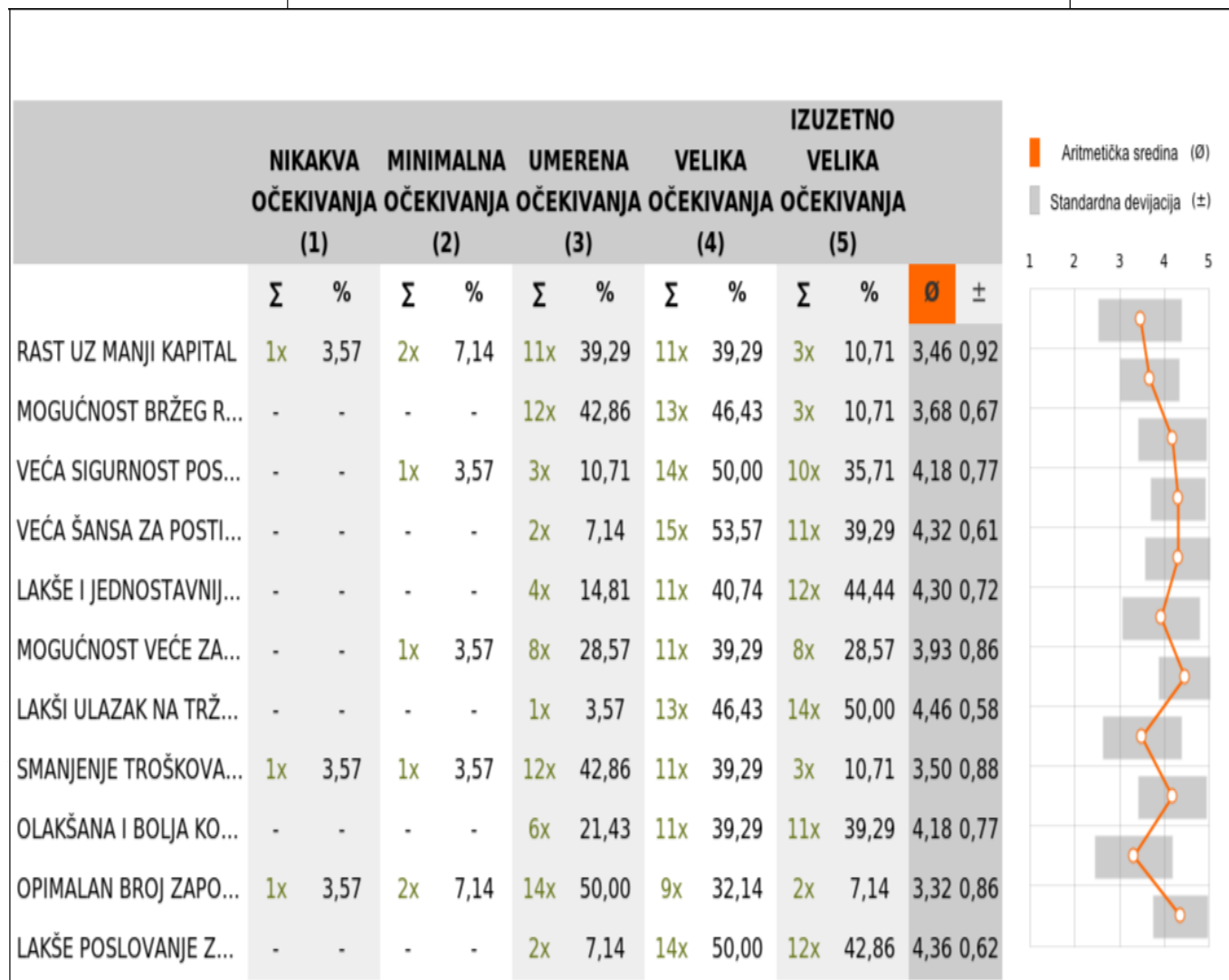
Are you able to settle your liabilities to the franchisor from your current business?

Answer (yes / no)



All surveyed companies are able to meet their obligations to the franchisor from their current operations.

The franchise business model creates a favorable economic environment for job creation:  
 Answer (yes / no)



The average length of service of the surveyed workers is 16.1 years.

The average length of service in the current organization is 6.2 years, while the average length of service is 5.5 years.

The average starting price of a franchise model is 1 968,320 dinars.

Regarding the growth with less capital, most respondents have moderate and high expectations (39.3% each), followed by respondents with extremely high expectations (10.7%), minimum expectations (7.1%) and no expectations (3.6%). The average grade given by the respondents is 3.46 (on a scale of 1 to 5), with a standard deviation of 0.92.

Regarding the possibility for faster growth, most respondents have high expectations (46.4%), followed by respondents with moderate expectations (42.9%) and extremely high expectations (10.7%). The average grade given by the respondents is 3.68 (on a scale of 1 to 5), with a standard deviation of 0.67.

In terms of greater business security, most respondents have high expectations (50%), followed by respondents with extremely high expectations (35.7%), moderate expectations (10.7%) and minimal expectations (3.6%). The average grade given by the respondents is 4.18 (on a scale of 1 to 5), with a standard deviation of 0.77.

Regarding the higher chances for success, most respondents have high expectations (53.6%), followed by respondents with extremely high expectations (39.3%) and moderate expectations (7.1%). The average grade given by the respondents is 4.32 (on a scale of 1 to 5), with a standard deviation of 0.61.

In terms of lighter and simpler business, most respondents have extremely high expectations (44.4%), followed by respondents with high expectations (40.7%) and moderate expectations (14.8%). The average grade given by the respondents is 4.3 (on a scale of 1 to 5), with a standard deviation of 0.72.

What is your forecast regarding the development of the franchise business model in Kosovo in the next 5 years. The answer:

As one of the main advantages of using a franchise, 68% of respondents cite brand recognition, 28% cite easier marketing and easier market positioning. Out of the total number of respondents, 20% state easier organization of business activities, 12% of respondents state small initial investments as one of the main advantages of using the franchise model, 8% state elaborated system, logistical support and more efficient use of information technologies.

Regarding the shortcomings, 12.5% of the respondents have no remarks, 33% of the respondents state partial or complete loss of autonomy and strong attachment to the franchisor, 16.7% state high costs, 8.3% state that there is no support from the state has no influence on price formation, and how sometimes the inability to recognize the market.

When it comes to forecasting the development of the franchise model in Kosovo, the majority of respondents (52%) are of the opinion that this model will have a growth trend (usually moderate), 8% did not state any forecast, 8% note weak business growth franchise activity, 4% have an opinion Because the franchise business is doing poorly in Kosovo, 4% are of the opinion that without stronger support from banks this model has no prospects, while 4% cite the mentality of the people as the main limiting factor of weak business growth franchise model.

Table 1

Analysis of variance of a completely random schedule - number of employees

	<b>Sume kvadrata</b>	<b>Step free</b>	<b>Sredina kvadrata</b>	<b>F-test</b>	<b>p</b>
<b>God</b>	338.72	2	169.36	1.34	0.28
<b>Pogreška</b>	4163.5	33	126.17		

Table 2

Analysis of variance of completely random distribution - accumulation rate

	<b>Sume kvadrata</b>	<b>Step free</b>	<b>Sredina kvadrata</b>	<b>F-test</b>	<b>p</b>
<b>God</b>	10703	2	5351.5	0.03	0.97
<b>Pogreška</b>	6889539	33	208773.9		

Table 3

Analysis of variance of completely random distribution - realized turnover in dinars

	<b>Sume kvadrata</b>	<b>Step free</b>	<b>Sredine kvadrata</b>	<b>F-test</b>	<b>p</b>
<b>God</b>	3.577741E + 18	2	1.788871E + 18	1.01	0.38
<b>Pogreška</b>	5.859210E + 19	33	1.775518E + 18		

In order to determine the existence of statistically significant differences in the number of employees, dinar turnover and the growth rate of the accumulation, in the three examined years a variance analysis was applied, based on which it can be concluded that there are no statistically significant differences in the number of employees in the surveyed companies. examined period ( $F = 1.34$ ;  $p = 0.28$ ) (Table 1)

The realized turnover in dinars of the surveyed companies also does not differ from the research period ( $F = 1.01$ ;  $p = 0.38$ ) (Table 3)

The growth rate of accumulation in the surveyed companies also does not differ from the test period ( $F = 0.03$ ;  $p = 0.97$ ) (Table 2)

*Univariate Tests of Significance for Var1 (Spreadsheet17) Sigma-restricted parameterization  
Effective hypothesis decomposition*

Univariate significance tests for Var1 (Spreadsheet17) Sigma limit parameter Decomposition of an effective hypothesis

	<b>SS</b>	<b>Degr. of</b>	<b>MS</b>	<b>F</b>	<b>p</b>
<b>Intercept</b>	821,778	1	821.7778	6.513430	0.015521
<b>"Var2"</b>	338,722	2	169.3611	1.342360	0.275120
<b>Error</b>	4163,500	33	126.1667		

*Univariate Tests of Significance for Var3 (Spreadsheet17) Sigma-restricted parameterization  
Effective hypothesis decomposition*

Univariate significance tests for Var3 (Table 17) Sigma limit parameter Decomposition of an effective hypothesis

	<b>SS</b>	<b>Degr. of</b>	<b>MS</b>	<b>F</b>	<b>p</b>
<b>Intercept</b>	879972	1	879972.2	4.214953	0.048066
<b>"Var4"</b>	10703	2	5351.5	0.025633	0.974712
<b>Error</b>	6889539	33	208773.9		

*Univariate Tests of Significance for Var1 (Spreadsheet16) Sigma-restricted parameterization  
Effective hypothesis decomposition*

Univariate significance tests for decay of sigma-restriction parameterization of var1 (effective table16) of an effective hypothesis

	<b>SS</b>	<b>Degr. of</b>	<b>MS</b>	<b>F</b>	<b>p</b>
<b>Intercept</b>	1.831190E + 18	1	1.831190E + 18	1.031356	0.317229
<b>"Var2"</b>	3.577741E + 18	2	1.788871E + 18	1.007520	0.376078
<b>Error</b>	5.859210E + 19	33	1.775518E + 18		

## Overview of the research results table

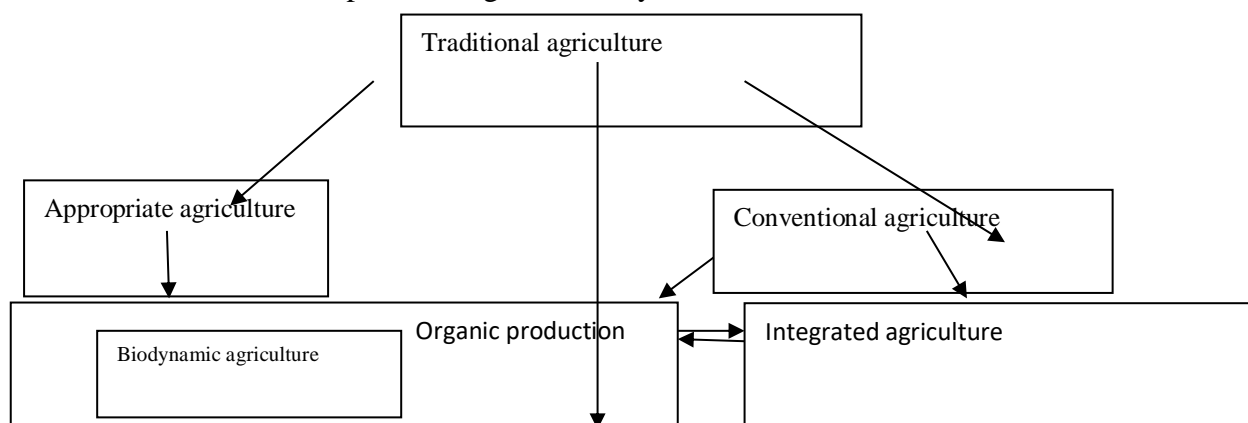
<b>BASIC STRATEGY HYPOTHESIS</b>	<i>The economic indicators of franchising in Serbia are positive.</i>  <b>POTVRĐENA</b>
<b>FIRST EXPERIENCE STRATEGY HYPOTHESIS</b>	<i>Vreme povrata uloženog kapital u franšiznom poslovanju u Srbiji je kraće od sedam godina.</i>  <b>POTVRĐENA</b>
<b>DRUGA IZVEDENA STRATEGY HYPOTHESIS</b>	<i>Stop accumulation and French occupation in Serbia is more than 15%</i>  <b>POTVRĐENA</b>
<b>THREE IZVEDENA STRATEGY HYPOTHESIS</b>	<i>Dobit u franšiznom poslovanju u Srbiji ima tendenciju rasta.</i>  <b>POTVRĐENA</b>
<b>ETVRTA IZVEDENA STRATEGY HYPOTHESIS</b>	<i>For the coverage of French occupation in Serbia, there are no adequate posts banking support.</i>  <b>POTVRĐENA</b>
<b>PETA IZVEDENA STRATEGY HYPOTHESIS</b>	<i>The first French and Serbian princes in the state of teklućeg poslovanja isplate naknadu davaocu franšize.</i>  <b>POTVRĐENA</b>
<b>ESTA IZVEDENA STRAŽIVAČKA HYPOTHESIS</b>	<i>François poslovanje u Srbiji stvara ambijent pogodan za otvaranje novih radnih mesta.</i>  <b>POTVRĐENA</b>



## 6. FRANCISE MANAGEMENT IN AGROBUSINESS IN KOSOVO

Agricultural production has three stages in its development: the first is the transition from traditional to conventional, the second is the transition from conventional to sustainable production and the third stage is the transition to organic farming. The above steps of agricultural production are made in order to reduce the growing problems that have increased with the existing method of production. In the beginning, there was not enough food for the growing population, and then mankind began to pay a high price for increasing yields.

**Picture no. 4** - Development of agricultural systems



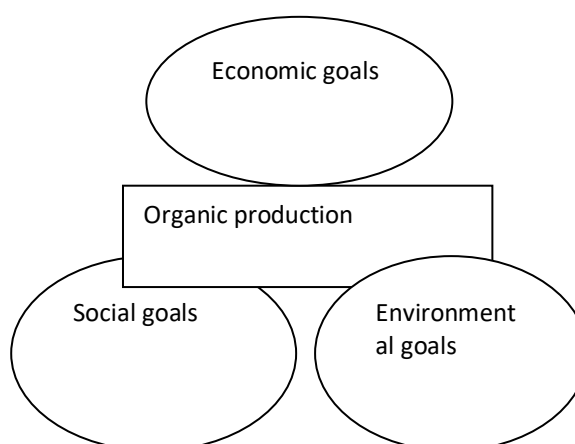
**Source:**IFOAM Training manual on Organic Agriculture in the Tropics, Fibl, 2002, p. 21

Organic agriculture developed following the following principles:

- ☐ The principle of preserving health,
- ☐ The ecological principle, the principle of justice and the principle of concern.

In accordance with these principles, the following goals have been created: social, economic and environmental.

**Picture no 5** - Objectives of organic farming



**Source:** IFOAM Training manual on Organic Agriculture in the Tropics, Fibl, 2002.

In order for agriculture to function successfully, to rationally use the factors and conditions of production, it is necessary to know the essence of agricultural production and the interdependence of its characteristic structural. It is a complex system of production, distribution and sale of food and beverages, which includes a number of related entities and activities of individuals, companies, cooperatives, companies and other organizations that produce, buy or sell products or provide appropriate services in order to create profit.

Agro-industry does not start or end on farms, but consists of a complex of mutual relations of individuals, companies, institutions that organize primary agricultural production (livestock, agriculture, fruit, vegetables), industrial processing of food and non-food products, industrial production equipment and resources (processing and other equipment, agricultural machinery, fertilizers, chemicals) goods (wholesale and retail distribution - raw materials) appropriate services (financial, credit, scientific education, insurance, veterinary, logistics) with the presence of government competence.

This confirms that modern agriculture is increasingly seen as an area that is not exclusively focused on physical and biological food production, and in all developed countries, modern agriculture is not seen individually, but in the context of total agricultural production.

The need for horizontal and vertical production structures in agriculture arises from the need for economically efficient way of using the factors of production. On how rationally these factors would be used and a better connection in production would be achieved, largely depends on the economic efficiency and the efficiency of the production organization.

In the developed countries market for a long time, but recently in our country, marketing channels are developed, which work in the form of various forms of cooperation and integration (horizontal and vertical) between their participants, based on long-term, strategic relationships, would benefit each participant. In this sense, the traditional classification of marketing channels is supplemented with new classifications, which are based on respect for the existence of long-term relations of cooperation and integration between the participants in the channels. strategic alliances (according to which all forms of cooperation between enterprises in the channels are underdeveloped, which are far more than normal transactional relations, but less than the total merger or merger of companies). The most important forms are: cooperation in advertising,

The term agriculture includes not only the relationship between producers and consumers of food, but also their communication with the market and the economic entities from which the necessary inputs for production are procured.

The peculiarities with which agro-industry is distinguished from other activities are on the side of the supply of agricultural and food products, but also on the side of the demand. bring them additional income, the survival of the company represents the specificity of the production process in agriculture. It arises from the biological nature of production and refers to the use of raw materials in production, incompatibility of production time and production of means for own reproduction.

## CONCLUSION

Agrarian franchising has the potential to solve economic problems that arise in the agricultural sector. The problems are: outdated management techniques, lack of managerial talent, lack of access to credit markets, inadequate quality of available agricultural inputs, insufficient access to information on agricultural inputs and monopoly market structures in the downstream sector. The agrarian franchise provides a number of benefits for the agrarian sector of the EU member states and solves the mentioned problems in whole or in part. In times of economic crisis, companies are motivated to use agrarian franchising as a form of deinvestment in order to achieve faster growth globally, expanding the business network, financial gains, internationalization of business and reduction of logistics costs.

Agrarian franchising contributes to achieving the objectives of the Common Agricultural Policy of the European Union. The main goals are: increasing productivity of the agricultural sector, ensuring a fair standard of living for farmers, market stabilization, regularity of food supply and guaranteeing acceptable prices to consumers.

First, agrarian franchising provides faster dispersion of technology among franchises, which results in greater rationalization and productivity of the agrarian sector, through the optimal use of factors of production. The initial costs of starting agrarian franchise units are less than setting up a new agribusiness, franchises can make more profit with less investment and thus ensure a fair standard of living for themselves. Availability of agricultural products and stabilization of the agricultural market will be ensured through the dispersion of well-known agricultural companies, by franchise units globally. Increasing the number of agrarian franchises will ensure regularity in the supply of agricultural products, especially in regions where there was a problem with insufficient food.

Therefore, the perspective of business development in the future will depend on the cooperation of the parties (franchises and customers). It will also be a challenge for countries such as Kosovo to create the conditions for franchise development, as it is considered a model that will generate revenue for the country's economies and also provide new jobs, which will help reduce unemployment. The opportunities offered by technology and the Internet greatly influence the development of the franchise, as is the case with increased sales due to electronic sales.

The intensification of the process of globalization, in the sense that globalization covers all segments of social and business life, has contributed to overcoming the question, should we get involved in the currents of globalization? Today, companies operate in an uncertain business environment characterized by sudden and profound changes, as well as an uncertain and uncertain future. We are living in a time of rapid advances in science and technology, the emergence of completely new products and the disappearance of old products, and even complete technologies. The current competition in the market is played according to the new rules, completely opposite to those that were valid only a decade ago. Scientific and technological achievements, especially the development of information technologies, have resulted in globalization and connecting the world market in a single economic space.

The classic American franchise system is more centralized and vertically connected, the European difference being in the representation of a kind of cooperative company where the franchisors would be directly involved in the strategic decision making of the whole system. In such a company, the recipients participate in a relatively simple way and in decision making. Such a form is often called European, as opposed to American. There is much less data and literature on

the cooperative form in Europe than on the American one. Feel free to recommend this form to small independent and medium-sized entrepreneurs.

The franchise is experiencing a real boom as a way to connect small businesses and large companies that have developed a franchise. In the world market, competitive advantage means relatively more power or strength of one company or one product compared to others. It does not matter how the company will appear and present itself in today's market. If the company wants to maintain and successfully develop and operate in conditions of unfair market competition, the company must be constantly active in the constant changes that occur every day in the market, directing its efforts to more effectively meet the needs of the very picky current customers and potential customers. and range, and to create new demand through innovation and lower product prices. In conditions of rapid advancement of technology and mass production, The limiting factor for further growth of the company is the market, ie the possibility to sell products and services. The critical stage in the development of the reproduction process is exchange, ie. product sales. However, this is exactly what determines companies to put the market at the center of all their activities and to effectively meet the needs and desires of customers. The franchise concept is a business philosophy on which the company's business policy is built. This concept is based on the belief that successful business and company development can only be achieved by identifying, differentiating and meeting the needs and desires of customers. product sales. However, this is exactly what determines companies to put the market at the center of all their activities and to effectively meet the needs and desires of customers. The franchise concept is a business philosophy on which the company's business policy is built. This concept is based on the belief that successful business and company development can only be achieved by identifying, differentiating and meeting the needs and desires of customers. product sales. However, this is exactly what determines companies to put the market at the center of all their activities and to effectively meet the needs and desires of customers. The concept of franchise is a business philosophy on which the business policy of the company is built. This concept is based on the belief that successful business and company development can only be achieved by identifying, differentiating and meeting the needs and desires of customers.

The adoption of the franchise concept requires a fundamental change in the attitudes of the company's management towards production and sales, as well as the abandonment of the old sales practice, where the company does not achieve successful business, but focuses on franchising. The franchise system is a way of doing business in which a well-established way of doing business, with differentiated marketing characteristics and a strong brand, turns into a standardized way of doing business, which can be applied in different economic, cultural and political-legal environment and from different entrepreneurs. the franchise. In the process of building a franchise business system, a very important issue is the right choice of franchise for a business partner, because the success of the overall franchise system depends on its capabilities and managerial visions.

Applying a business franchise system from an entrepreneurial perspective, especially if inexperienced and without much capital, is safer and easier to get into entrepreneurship by buying a franchise than starting your own business. However, the market is not very tolerant of an inexperienced beginner trying to learn how to run a business, so many of them go bankrupt. If you are not ready enough to fight fiercely in the market with the competition, the form of business activity that the franchise offers is the closest guarantee for your success. The franchise system costs

## RECOMMENDATIONS FOR NECESSARY RESEARCH AND ACTIVITIES

Based on the research conducted as part of the doctoral dissertation, based on the data obtained from the research during 2016/2017/2018. year and data from the available literature, it is possible to make the following recommendations for further research, both scientifically and practically:

### **a) Potential topics of new scientific research**

1. Explore the relationship between franchising and entrepreneurship from the perspective of the franchisor. The doctoral dissertation mentions two different concepts of the franchise business model compared to entrepreneurship. Therefore, it is necessary to examine whether the franchise business model affects the entrepreneurial capacity of the franchisor or the franchisor is a greater entrepreneur than the franchisee because the franchisee, by entering into the franchisee, has acquired all the necessary knowledge, education and all other technical assistance and support.
2. Explore the connection between franchise and innovation. Innovation enables franchise systems to thrive and thrive by adapting to the local markets in which they operate. The role of franchises is important because they provide direct contact with the market. Franchises can be a very good source of innovation in franchise systems and therefore it is necessary to explore the process of innovation in franchise systems operating in Kosovo. By stimulating the innovation process, it is possible to stimulate entrepreneurship, because with it both the recipient and the franchisor act entrepreneurially, noting the opportunities for business improvement and conquering new markets.

### **b) Potential topics for practical research:**

In order to conduct research on the impact of the franchise business model on the Serbian economy in order to obtain accurate data on how many franchise systems operate in Kosovo, it is necessary to conduct a detailed business activity survey with the franchisee. This will answer questions about the exact number of franchise systems operating in Kosovo, the number of direct and indirect employees in franchises, sales, the number of locations in franchise systems (owned by franchisees and franchisees). The obtained data would contribute to answering a very important question - What is the impact of the franchise business model on the Serbian economy. Economic impact data would enable further expansion and enhancement of the use of the franchise business model in Kosovo, as well as the possibility of creating additional policies of the relevant ministries in order to strengthen entrepreneurial activity.

The proposed new research can contribute to a better understanding of the franchise business model and reinforce the results of previous research, on the basis of which it is possible to make recommendations for further action to all stakeholders involved. The proposed activities should be aimed at the "development segment" of the franchise, in order for it to promote its business and move to the leaders segment, and thus to achieve greater use of the business model of the franchise. The results of the research of the doctoral dissertation indicate limitations in the form of insufficient systemic state support and lack of support from the institutions for the use of the business model of the franchise.

### **a) Proposed activities for the Serbian franchise organization**

1. Establish a register of franchisors in Kosovo. Establishing a register of franchisors, to be run by the Serbian franchise organization, will bring order to the market where there are now franchises that are not, as well as other methods of expanding business activities that are not presented as franchises, but in fact are. . A franchisor register will allow potential recipients to get basic information about franchisors and the franchise system in one place.

2. Creating business standards for franchising. The National Franchise Organization should start the project creating business franchise standards in Kosovo (similar to the German Deutsche Franchise Verband or the US franchise disclosure document) and thus further strengthen the application of the franchise business model. The franchisors would prepare the information in the same way and that information would be available to potential franchisees. In addition to the basic information, franchisors should make the franchise agreement available to the national franchise organization and provide access to the operating manual, if required. The issuance of a certificate to the franchisor will confirm his seriousness in his work and his activities related to the franchisees. By issuing certificates, the association will provide a neutral assessment and evaluation of the franchise system. The obtained results provide potential for improvement of the franchise system and provide valuable determination of the franchise system compared to other franchise systems. Certificates will benefit franchisors and franchisees, and ultimately the entire franchise industry and the national economy.

3. Develop a system education program for the franchise business model. We have a good example in the Republic of Croatia. In addition to the Croatian franchise organization, there are currently two franchise centers in Croatia - in Osijek and Zagreb. Their joint action so far is responsible for the great progress in recognizing the franchise business model as a method for business growth and a way to enter entrepreneurship during the past period in Croatia. Franchise centers must be established as places for educating potential recipients and potential donors and in cooperation with the Serbian Franchise Organization, as a place where the supply and demand of franchise systems meet. Training programs for potential franchisors will help organizations that have standardized their business during the design of the business franchise system and prevent potential errors in the process. Education for potential recipients will serve as a beginner entrepreneur when entering into entrepreneurship using franchising.

4. Initiating cooperation with financial institutions to create financial products intended for participants in the franchise business model. In the empirical research, the biggest constraint for further expansion of the franchise business in Kosovo, according to franchises, is the unavailability of funding sources and the fact that banks do not understand the philosophy of franchising. Banks can play a significant role in the development of the franchise business, and thus in the development of the national economy. Currently, there is no product on the Serbian market of financial products that would be specifically intended for franchisees. Many well-known foreign banks (Societe Generale, Bank Nacional de Paris, Erste Bank, ABN Amro) pay considerable attention to the business model of franchising in their home countries, where they follow the franchise business and encourage the launch of franchise systems in a variety of ways. These banks are members of national franchise associations, participate in franchises and franchise seminars, publish franchise publications (Lloyd's TSB Bank in the UK), conduct their own research on the franchise business model. Strong national franchise organization can influence the significant involvement of financial institutions in doing business with the franchisee (German franchise cooperation) conduct their own research on the franchise business model. Strong national franchise organization can influence the significant involvement of financial institutions in doing business with the franchisee (German franchise cooperation) conduct their own research on the franchise business model. Strong national franchise organization can influence the significant involvement of financial institutions in doing business with the franchisee (German franchise cooperation) anchor organizations and German

banks). The basis for the involvement of financial institutions is the education of franchise teams within the banks and the creation of financial products intended for franchisors and recipients.

#### 5. Proposing legal regulations on the franchise business model.

Legislation places franchise operations within certain frameworks that define the basic relationship between franchisors and franchisees. One of the limitations identified by empirical research for greater use of the franchise business model is the insufficient number of lawyers who have knowledge and practice related to the franchise business. For that reason, additional engagement in the education and specialization of lawyers for business activity is needed. The role of lawyers in education should be played by the Kosovo Bar Association.

#### **b) Proposed activities for the competent ministry**

1. Propose the adoption of legal regulations for the franchise business model. There are numerous examples of countries in the world where the franchise business model is regulated by law or some other regulation. In these countries, due to the franchise legislation, there is a greater use of the franchise. The best example is the United States, where nearly 8 million people are directly employed in the franchise business.

2. Create policies of the competent ministry to promote the franchise. Examples of such activities can be found in other countries around the world, where support is provided for the launch of franchise systems and for conducting business education and standardization as part of development activities. The activities of the relevant ministries should relate to conducting franchise business model education for all parties involved (lawyers, financial institutions, consultants).

This will allow potential recipients and potential franchisors to have the help they need to enter the franchise business. By creating policies and implementing activities, the Government of Kosovo (through the line ministry) can also act to reduce one of the limitations mentioned by the respondents in the empirical research - the unfavorable climate for entrepreneurship. By implementing activities aimed at promoting the use of franchise business, the Ministry can initiate greater interest in the franchise business model and start a process of self-employment in franchise organizations and employment in franchisor organizations.

## Publications

Title:	Publication date:	Autors:	Journal:	Volume:	Pages:
САМОПРОЦЕНУВАЊЕ И ИСТРАЖУВАЊЕ НА КАРИЕРАТА КАКО ИНДИВИДУАЛЕН ПРОЦЕС	2021	Нора Сејдиу	<i>Bezbednost u postmodernom ambijentu</i>	<i>Knjiga XXIII</i>	337-348
The economic value of landscape and regional competitiveness	2021	Nora Sejdiu	<i>Bezbednost u postmodernom ambijentu</i>	<i>Knjiga XXXV</i>	243-251
Проширени карактеристики на производите услов за безбедност на граѓаните	2021	Нора Сејдиу	<i>Bezbednost u postmodernom ambijentu</i>	<i>Knjiga XXXV</i>	339-346

## Information for contribution moments in thesis

In the thesis can be distinguished contribution these moments with scientific and applied nature:

1. Clarify the essence of franchise, as an element for economic development of agriculture branch;
2. Developed a conceptual framework for assessing the impact of franchise on development of Kosovo agriculture;
3. Analyze and evaluate the impact of franchise in agriculture in Republic of Kosovo;
4. Identification of key factors of franchise implementation;
5. Recommendations for improvement of the implementation of franchise in agriculture in Republic of Kosovo.