

Our Industry

The spark

General Motors in the 1920's and Yoplait in the 1960's.

GENERAL MOTORS was a challenger to FORD in the USA in 1921 and had a 12% market share of the automobile industry. By 1927, led by H.P Sloane, GM had taken over the leadership with a 43% market share.

YOPLAIT which originated from Normandy, France in 1964, with a capital share of 10.000 euros. 45 years later the company is worth 1.6 billion euros, has a turnover of 4.6 billion euros, and is the n°2 in the world in fresh dairy products. It has grown by a factor of 16 million times the initial capital.

How have these remarkable successes been achieved?

> By using the franchise model to organise their expansion plan.



The first theoretician : Alfred P. Sloan

Alfred Pritchard Sloan, Jr. was a long-time president, chairman, and CEO of General Motors Corporation.

He lead GM from the 1920s through to the 1950s – imposing revolutionary working methods such as trademark strategy, regular car model change, industrial design and planned obsolescence coupled with the exponential development of retailers at the same speed as the development of highways in the US, all of which changed lifestyles in America and throughout the world.

Sloan invented the franchise model within GM and became its first comprehensive theoretician.

To such end, Sloan created the world's first university based executive education program "the Sloan Fellows" which commenced in 1931 at MIT under his sponsorship. In 1952 a Sloan Foundation grant was established at the MIT School of Industrial Management with the responsibility to educate the "ideal manager", and the school was renamed in Sloan's honour as the Alfred P. Sloan School of Management, one of the world's premier business schools. Additional grants established a Sloan Institute of Hospital Administration in 1955 at Cornell University the first two year graduate program of its type in the US, a Sloan Fellows Program at Stanford Graduate School of Business in 1957, and in 1965 at London Business School which later became a degree program, awarding the degree of Master of Science in Management in 1976.

Franchising in 2014

The model has demonstrated that it is the best economic growth and organisation tool of free market economy

The franchise model has since expanded to all segments of the world economy (industry, commerce and services). The International Franchise Association has identified 97 categories from hotels, restaurants to educational services.

A few key figures are self-explanatory:

- Worldwide output : 3 trillion of dollars of sales.
- In the US : 10% of jobs, 5% of GDP. 1 dollar out of 3 spent in a retail shop in the US is in a franchise outlet.
- In Europe : 10.000 franchise systems, 600 billion euros of sales.
- In Asia-Pacific : 15.000 franchise systems, 600 billion euros of sales.
- In France : 60 billion euros of sales through 1.500 systems and 60.000 franchisees.