

various challenges and risks, and to formulate the corresponding strategies and solutions, the risk can be controlled to a minimum degree.

The main risk factors are as following:

In the optimizing reformation process, as the assets evaluation may not reach a psychological price for the franchisees, some franchisees would refuse to transform or ask enterprise for a claim because of the expiration of contracts, or even boycott reformation and shareholding restructuring collectively.

As the franchisees are individual operation, they thought they are “bosses”. After the reformation part of the “bosses” may not change their mentality in a short time, and it is difficult for them to become into professional managers. If the original operators participate in management of the enterprise after being reformed, it will be a change in form but not in content.

After the reformation the professional managers can't reach the designated position, and if the original staff cannot be arranged appropriately, the group may even refuse to cooperate.

4.3.2. Counter measures of Risk

Firstly, before reformation, enterprises should analyze the strengths, weaknesses, opportunities, threats of the reformation. It is to make the franchisees to reach a common view. Secondly, based on the detailed survey, enterprises need to develop and demonstrate the feasibility of the risk prevention plan. Formulation of reformation plan should be discussed with the franchisees about the fairness, feasibility and detailed implementation measures.

Then enterprises need to prepare enough money to take the reformation. If short of money, there is a way to adopt the participated investment of related industry. Enterprises should choose those consulting enterprises which have quali-

fication and reputation to make precise asset evaluation of franchisees.

At last in addition, ask the “bosses” to have training and evaluation before they are able to be professional managers. The original staffs also need to have comprehensive assessment and adjustment training. Those who pass the training evaluation should be put to the right position.

Conclusion

As to private express enterprises, Franchisee-chain model is not only a process of scale expansion, but also a process of shaping enterprise reputation and brand impact. Through the above analysis, franchisee-chain model can't adapt to the development of economy. Model Reformation is the best way to solve the problem for private express enterprises according to the reality of the industry, and it is also a best management measure to change the extensive management into controlled management..

References

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