ABSTRACT

Franchise business is an easy system which contributes significantly to the real sector and creates multiplier effects for the economic and society. In fact, the franchise business also provides benefits for the suppliers, employees, customers and other business chain.

Generally, the analysis of Indonesian franchise is conducted to find the profit by using Net Present Value (NPV) & Profitability Index (PI), the investment risk through Return on Investment (ROI), the Payback Period (PP) and Risk investment of each Indonesia franchise (Risk Profile). After completing the analysis, then it can be drawn a conclusion that can be used as a material consideration in making investment decisions. However, before taking an investment the investors must have an accurate data source to avoid the investment failure or at least minimize the risk.

Based result analysis regarding profit and risk the researcher found that 78 of 90 franchises are categorized as low risk investment and 12 other franchise are categorized as risky franchise.Rama Shinta Resto under food and beverage sector gains profit until 30 % a year, Sun & CKlin Laundry under laundry sector gains profit 29% a year and LPIA under education sector gains profit 28% a year. The lowest profit as the category of low risk franchise only generate profit of 3% a year, these franchise are Miracle Aesthatic Clinic under beauty sector and indomaret under retail mini market.

The results of this study can help the potential investors for choosing a franchise business in accordance with the desired interest. The results of this study also provide information for the initial capital from the smallest to the largest, the long term estimates of capital will return, the profit gains in a year, the franchise category that gives the most benefits and the risk forecasts of Indonesian franchise business from each sectors.

Key words: *Indonesia Franchise, Analysis Profit and Risk, Low risk and risky franchise*