

6 STEPS TO FINDING THE RIGHT FRANCHISE

FRANCHISING REPORT & GUIDE BOOK
REALIZING YOUR DREAMS

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NOW THAT YOU'VE CONSIDERED CRUCIAL PERSONAL AND BUSINESS CHARACTERISTICS, AND FINANCIAL REQUIREMENTS, YOU'RE READY FOR THE NEXT STEP:

BUILDING YOUR RESEARCH MODEL AND WORKING TO IT TO FIND THE FRANCHISE OPPORTUNITY THAT'S PERFECT FOR YOU. YOUR MODEL WILL INTEGRATE ALL YOUR ANSWERS AND IMPORTANT DETAILS FROM PP. 8-9 TO SHOW YOU THE TYPES OF BUSINESS THAT APPEAL TO YOU. WHETHER YOU USE MY AID OR THAT OF ANOTHER FRANCHISE INDUSTRY GUIDE, I SUGGEST YOU USE THE FOLLOWING SIX-STEP PROCESS AS YOUR ROADMAP:

STEP 1.

MAKE SURE YOUR GOALS CAN BE MET.

With more than 3,000 franchise concepts in over 75 industries, the franchise for you is out there. Write down your answers from pp. 8-9 regarding all your characteristics, goals, skill sets, financial parameters, and more. Prioritize your preferences. This list is your model. Keep it handy. Eliminate opportunities that don't fit.

STEP 2.

SEEK ALIGNMENT. Reach out to the franchisors who make your list and request information. Dive deep. The franchisor will immerse you in the business, setting up meetings to introduce you to key franchisee disciplines, including marketing, business development, operations, technology, training, and real estate. Be sure your questions and concerns get answered to your full satisfaction. Keep notes on your impressions. What's more: If/when you have questions that you don't feel are being addressed properly, let her/him know in a follow-up email or phone call. If you decide that this is not the business for you, let the franchisor know you are ending your investigation.



STEP 3.

READ THE FINE PRINT. Every franchise in the United States is legally required to provide a Franchise Disclosure Document (FDD) no later than 14 days prior to signing a franchise agreement. Your FDD review and understanding is a significant part of the research process because this document explains the responsibilities of the franchisee and the franchisor. What you discover in a company's FDD—including investment parameters, litigation, and franchise closures—can help you weed out franchises that don't measure up.

STEP 4.

GATHER INSIGHTS, ASK QUESTIONS OF CURRENT FRANCHISEES, AND RUN CASH-FLOW PROJECTIONS. Get franchisee input on the business. Between 5 and 8 franchisees is a good, representative sampling. If the majority of them are happy and profitable, that's a great sign. For those who are not, probe to find out why. Be sure you associate more with the successful, satisfied ones. Once you're satisfied, frame out a business plan, and build cash-flow projections to validate your favorite franchise(s)'s ability to meet your professional and financial goals.

STEP 5.

PUT A FACE TO THE BRAND. The “deep dive” meetings will give you lots of good information, but nothing can replicate the insights you collect in a face-to-face meeting. In franchising, we call this a “Discovery Day,” and it's the time when you physically meet with franchisor representatives in person to get a comfort level that only face-to-face interaction promotes—finalize details, work through concerns, and get a feel for the company's culture. Is the business as excited about you as you are about it? This is a two way relationship; make sure you approach it as such.



STEP 6.

DECIDE! By now, you have all the information you need to make an informed decision. Remember to take into account the model you've created, which integrates your ideal business characteristics and financial requirements, when taking this important step. Does the franchisor match the model? If not, move on. If so, move forward!

"A good franchisor is watching you on your visit as closely as you're watching them."

**CONGRATULATIONS!
YOU'RE READY TO BE
A FRANCHISEE!**



STEP 1.

Your people want to “keep you safe,” yet they often don’t have the perspective you do. They don’t know that you have spent months researching and evaluating the businesses selected according to very focused performance criteria. In other words, you’re making an informed decision, and you’re following a proven, well-ordered process to get to the right facts. Sharing this with your loved ones may change their opinion.

STEP 2.

Separate the valuable comments from the unfocused criticisms. When you hear, “My neighbor lost her/his shirt,” get specifics. A little digging may reveal a lack of capital or failure in following the system or outside factors like a divorce actually derailed their business. Often these well-intentioned commenters don’t know why their neighbor failed—but they feel that it’s their duty to pass along the bad outcome despite their lack of meaningful perspective or analysis. Take it for what is worth: Not much without more detail.

STEP 3.

Consider the source. Does the commenter have business experience? Or is s/he passing along her/his own fears about ownership instead of considering what’s right for you and your family?

STEP 4.

The commenter may have a hidden agenda. Is the person who’s providing counsel in a position to spend your money in another way? For examples: your financial advisor who stands to benefit from your investing with him instead, a friend who would prefer your 401K remain invested in her/his firm, or a spouse who has become reliant on your current predictable paycheck and lives . (If you find your spouse isn’t committed to purchasing the franchise, don’t forge ahead until you agree on next steps, as they’ll require her/his support for you to succeed with the endeavor.)



STEP 5.

Have an “exit strategy” prepared . Buying a franchise is like buying any other asset—it has value, and you can sell it . You won’t be “stuck” for the ten-year life of the contract if you don’t want to be . Learn about your options from a qualified franchise consultant . Input from friends and family doesn’t have to compound your fears or prevent you from achieving your dream of business ownership . It can confirm your research and reaffirm your commitment to your future . Then you can feel confident that, “Yes, I have everything I need to succeed . ”

"Don't let unchecked fear and anxiety stop positive motion. Know, instead, as stated by none other than Mark Twain, 'Courage is resistance to fear, mastery of fear—not absence of fear.' "

