

# FRANCHISING REPORT & GUIDE BOOK

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REALIZING YOUR DREAMS

Presented By  
**Jeff Shafritz**



JEFF SHAFRITZ  
FRANCHISE GUIDANCE

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**IF YOU'RE READING THIS E-BOOK, IT HAS OCCURRED TO YOU THAT THERE IS A BETTER WORK-LIFE SITUATION OUT THERE FOR YOU—ONE THAT PAYS YOU WHAT YOU'RE WORTH AND LETS YOU BUILD ON YOUR EXPERIENCES, SKILLS, AND ACCOMPLISHMENTS. ONE THAT FITS YOUR LIFE'S GOALS AND GIVES YOU DECISION-MAKING POWER. ONE THAT LETS YOU BE IN CONTROL OF YOUR FUTURE AND ALLOWS YOU TO ACHIEVE THE LIFESTYLE YOU'VE DREAMED ABOUT.**

For many people—from semi-passive investors to folks who are looking to make a complete change, gain autonomy and independence with their available means, or supplement their golden years — that better situation is franchising. Taking the leap into business ownership, franchise, or otherwise is an important, deeply personal, and sometimes difficult decision. To navigate it, you need a full understanding of the risks, rewards, and commitment involved. Having an experienced guide and a proven process to help you through is the single best way to set yourself up for success. Consider me your guide.

**I'm Jeff Shafritz, and I help unique individuals like you realize their dream of business ownership.** As a franchise consultant with decades of experience on all sides of the business, I've been where you are now, at the deciding stage. After receiving my business degree from the University of Maryland, I launched what would be an extremely rewarding career in franchising when I became a franchise sales associate with The Athlete's Foot. Several promotions later, I reached the position of Director of Franchise Development with responsibility across the Americas. During my time at The Athlete's Foot, the business opened hundreds of new stores and earned the title of "Best Franchise in America" in the prestigious Success Magazine Gold 100 franchise ranking.

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On the heels of this success, I was extended an offer to lead franchise development efforts at a publicly traded company. It was a unique challenge that I readily accepted, particularly for the opportunity to help develop a franchise system from its inception. Today, I'm bringing all of this expertise to bear for individuals interested in pursuing a franchise business. For the last 12 years, I have been affiliated with the leading franchise consultant network; here, I work with aspiring franchisees to help them understand their objectives for business ownership and match quality franchisors to those goals. During this time, I also launched a fitness franchise. This business was one of the top-producing units in a chain of nearly 1,000 gyms and after five years I negotiated the profitable sale of the business back to the parent company.

My consultancy is fueled by a genuine passion for helping individuals build meaningful and rewarding careers and revenue streams through franchising. With my guidance, you'll make the most educated decisions about your path toward franchise business ownership. Working through a proven system built on experience and expert insights, you'll (1) evaluate your motivations and goals, (2) build a model for your franchise research, and (3) get introduced to the best pre-screened franchise companies that suit your unique needs. End result: you'll (4) save time and effort and gain the optimal tools and support to achieve your goals.

**I am passionate about this process.** And I'm passionate about your success. My business as The Franchise Matcher is built on it. And it's my hope that this e-book, which sets out the premises of franchise ownership, will illuminate the process and help you decide if franchise ownership is truly for you. As you read on, jot down your questions and concerns, then contact me to discuss them.



## FRANCHISING: WHAT IT IS AND WHAT THE STATS INDICATE

WITH THE LOWEST RISKS AND THE HIGHEST LEVEL OF SUPPORT WHEN COMPARED TO AN INDEPENDENT BUSINESS OR PURCHASING A BUSINESS OPPORTUNITY, FRANCHISING ALLOWS ENTREPRENEURS TO START A NEW BUSINESS AND GROW RAPIDLY WITHOUT STARTING FROM SCRATCH AND WITHOUT TYING UP SIGNIFICANT CASH. IT IS A MODEL FOR GROWING A BUSINESS BY SELLING THE RIGHTS TO THE BRAND INVESTORS (FRANCHISEES) WHO AGREE TO FOLLOW A SET OF RULES AND GUIDELINES FOR RUNNING THE BUSINESS.

There's a universe of franchise businesses out there. Most associate it with fast food, but there's a range of opportunities from health & wellness to senior care, kids, pets, and automotive-business services and personal services delivered from the home office, office suite, warehouse, and retail spaces. As a business model, franchising is astoundingly successful because it is proven. It is ready to be replicated. And ... it works. Take a look:

According to the International Franchise Association's 2015 Franchise Business Outlook report, between 2007 and 2015, franchise businesses created jobs faster than other businesses. By 2014, franchising in the United States had expanded to more than 3,000 franchise concepts in over 75 industry sectors. And according to forecasts, the franchise business economic outlook by business lines is expected to remain firmly in the black, with the number of establishments, direct employment, cash output, and gross domestic product all continuing to increase.

### WHAT'S MORE:

- Almost 50% of all retail sales come through franchising.
- 1 in 12 businesses is a franchise.
- There are more than 750,000 (individual establishments).
- Franchised businesses in the United States generate almost \$7 TRILLION in sales each year.

## CURRENT HOT INDUSTRIES

- Services for aging baby boomers
- Health and wellness
- Fitness
- Home improvement
- Healthy food - served fast
  - Child-oriented businesses
  - Pet care
  - Business-to-business consulting services
  - Education and training
  - Tech support and training



## WHY PEOPLE ARE DRAWN TO FRANCHISING

**DESPITE UNCERTAINTY IN CORPORATE AMERICA, IN THE STOCK MARKET, AND IN THE REAL ESTATE MARKET, PEOPLE DESIRE INDEPENDENCE, BALANCE AND CONTROL IN THEIR LIVES.**

Based on the stats we've seen on the previous page, franchising offers a way for you to hit all the marks—to have a business and a built-in risk-reduction strategy. Franchising also offers the creation of an asset and a relatively easy resale. But let's investigate the details.

### **Why do people choose franchising?**

#### **THE FRANCHISOR HAS DONE MUCH OF THE WORK FOR YOU!**

Starting a franchise business means skipping the painful and expensive trial-and-error steps in the initial phases of a nonfranchised start-up, including investing a substantial sum of money and significant time, effort, and worry to hopefully turn your investment into a profit; and creating a brand and building operating systems for it and then testing all the advertising avenues trying to reach your audience. A start-up's first few years in business are all about experimenting—trying to find out what attracts customers, how to get the best pricing from suppliers, and how to best manage and when to add employees. Surviving until your business catches on is yet another challenge, leaving you to wonder if you have the right business at the right time in the right place.

People are drawn to franchising because the franchisor has already done all this work—so you get to skip most of these steps and go right into running the business, knowing that before your business franchised, it already ran through its trial-and-errors process. It found what works. It then thoroughly tested everything, opened a number of units, either company-owned or franchisee-owned and did further tests. When the units became profitable, the franchisor documented everything, hired corporate support staff, and offered franchise units for sale in more areas.



## WHY THE GRASS IS GREEN FOR FRANCHISEES

### FRANCHISEE ADVANTAGES:

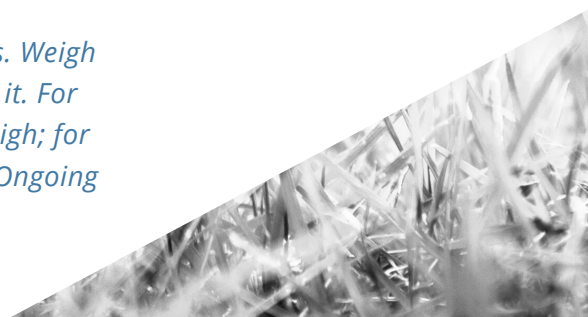
- Franchisees gain their “own” business, along with responsibility for decisions and control over their schedules, careers, and wealth-creation.
- Franchisees avoid the pitfalls of starting a business from scratch; they gain the experience, operating system, thorough training, and ongoing support of the franchisor in every aspect of the business. In other words, no prior industry experience is necessary. A franchisee brings a skillset to run a business; the franchisor provides invaluable education and ongoing support from Day 1.
- Franchisees gain group buying power (hundreds of coordinated franchisees bring down prices of products, advertising, and other goods and services).
- They gain already established (and hugely valuable and expensive) R&D that the franchisor establishes and tweaks, and franchisees execute on.
- They gain peer groups, important for sharing ideas on all aspects of the business.
- They gain start-up, accelerated learning, including training programs, that shaves years off the learning curve of a business start-up.
- And they gain a recognizable brand name, trademarks, trusted service, and cooperative advertising.
- Franchisees gain the creation of an asset—equity—that translates to available dollars you take with you when it’s time to leave or retire from the business. Consider it owning versus renting— when it’s time to sell, the more profitable you’ve made the business, the more you may take with you in the end when you sell.
- Franchisees may also gain from the franchisor market evaluation, site selection and lease negotiation aid, and help with the design and layout of the store plus details of where to purchase components.

### POSSIBLE CHALLENGES:

A franchisor invests heavily in the success of each franchisee (because every franchisee success is her/his success), and the franchisee, in turn, has to:

- Work within an already-established system and with the franchisor who established it. Be a team player.
- Undertake the initial risk associated with starting any new endeavor.
- Pay franchise fees and royalty fees based on earnings.

*As a franchisee you must understand what you’re getting for your fees. Weigh the support you receive from your franchisor with the bill attached to it. For some franchisees, a 5% royalty (or \$5,000 franchise fee) may be too high; for others, a 15% royalty (or \$50,000 franchise fee) may seem like a gift. Ongoing support and profit margins are the ultimate measure.*



**ASK (AND ANSWER) THE RIGHT QUESTIONS TO MAKE ALL THE RIGHT MOVES SELF-AWARENESS IS KEY TO YOUR NEXT STEPS. THESE SIX QUESTIONS WILL HELP YOU DETERMINE WHAT THOSE STEPS WILL BE.**

## STEP 1.

What is my motivation? Make a decision to become a franchisee because you feel it's the right choice, not your only choice. The most successful franchisees are those who decided to pursue business ownership as a way to better their lives—not to outrun a negative experience.

## STEP 2.

What are my goals? It's impossible to know what franchise success looks like without goals. Is financial freedom the end game? Is work-life balance the priority? Or is the most important thing that you feel passionate about your work? Chances are you may have goals in more than one of these areas but they aren't equally weighted. A franchise industry guide can help you organize your objectives and map your franchise search accordingly

## STEP 3.

What are my strengths? Take an honest look at your skill sets. For example, if you're a natural salesperson, you may be suited for a B2B franchise. If you're not strong in operations, you may want to manage few, rather than many, employees. Acknowledging your true strengths will help tighten your focus on those franchises that play to them

## STEP 4.

What are my financial parameters? Many business fail in the first year because this question hadn't been fully investigated. Determine not only what you can afford to invest in the purchase of a business, but also how much capital you will need for operations and to cover living expenses. Understanding the full range of funding options—from small-business loans to partnerships, investors, and more—may bring the dream of business ownership more within reach than you realize. (See franchise funding options, in the Details of Buying a Franchise)



## STEP 5.

What does the “ideal business” look like to me? You’re going to put a lot of yourself into your business, so make sure you really like what you’re doing. How many employees do you want to manage? What’s your financial risk tolerance? What hours do you want to work? Is status important to you? There’s a franchise opportunity out there that meets your criteria, but you have to know what those criteria are to find it.

## STEP 6.

Which franchisors can help me fulfill my goals? Armed with answers to Questions 1-5, you can now build a model that incorporates all of your requirements and values to identify great franchise matches. Now the expertise of a franchise industry guide is helpful to get you connecting with these companies.

**FIND A MORE IN-DEPTH  
LOOK AT THESE  
QUESTIONS AND NEXT  
STEPS, SEE  
[BIT.LY/1UM2QXO](http://BIT.LY/1UM2QXO)**





## CONSIDER YOUR OWN CHARACTERISTICS ALONGSIDE YOUR IDEAL BUSINESS CHARACTERISTICS

Franchising allows you to totally change careers without years of schooling, apprenticeship or research, and certain characteristics, including the following, loan themselves to making a successful franchisee:

- Drive to achieve your goals
- Willingness to follow the franchisor's system while also making your own decisions
- An ability to manage employees and attract customers

Now consider your ideal business characteristics, which we'll investigate deeply in a moment:

- What are your top priorities when you think about owning a business?
- What are you looking for from a franchisor?
- Do you believe in the product or service?
- How important is status?
- What level of risk are you willing to assume?
- Where do you want your business to be located?

- How do you feel about sales and marketing?
- Do you want a retail, service, or direct sales business?
- How many employees, and what backgrounds, would you be comfortable managing?
- What kind of hours do you want to work, and how much flexibility do you need?
- What environments would work best for you?
- How do you want to exit the business when the time comes?

### OTHER CONSIDERATIONS:

- While franchises available at every almost investment level, it's recommended you have a net worth of \$100k and liquid capital of \$20k (minimum).
- You also need to consider whether you want to work full-time in your franchise or keep your current job and start your franchise on a part-time basis.
- You need to decide if you're comfortable with someone else's system or are you a lone wolf.

Remember, though you want to believe in the product or service you represent, it's most important that your business meets your goals, skill sets, and financial parameters.

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AND NEXT STEPS, SEE  
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