

# FRANCHISE SELECTION DOs & DON'Ts

HERE ARE A FEW PRACTICAL HINTS TO HELP YOU  
SELECT A FRANCHISE:

## DON'T

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- ✘ **Hurry.** Short-cutting your research can increase your likelihood of failure.
- ✘ **Over-extend, or be optimistic** about your personal finances. Be realistic, and if anything, conservative.
- ✘ **Skip consulting professionals.** Saving on fees may deprive you of information critical to making a good decision.
- ✘ **Settle.** Get the business that you want, not the first one that comes along.
- ✘ **Take anyone's word.** Find out for yourself. It's your money, your risk and your opportunity. You know best what you need, so investigate first hand.

## DO

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- ✓ **Talk to and visit as many franchisees as possible.**
- ✓ **Talk to and visit the franchisor and get to know the history and experience of the Officers and Managers.**
- ✓ **Consult any and all advisors that you feel can be helpful to you, including a franchise attorney.**
- ✓ **Ask any and all questions you can. Nothing is too trivial to ask.**
- ✓ **Take your time, and be very thorough in your investigation.**
- ✓ **Do comparative analysis of other franchises in the same, and other, businesses.**
- ✓ **Evaluate yourself as compared to other franchisees that you meet and talk to. You make a difference! Make sure you're comfortable with what you have to do.**
- ✓ **Read and understand the sales literature, Franchise Disclosure Document (FDD), etc. Know all the terms of your agreement.**
- ✓ **Give yourself plenty of room to maneuver financially. Plan for more expense and slower profitability than you think you need.**
- ✓ **Be thorough; be conservative; be informed. Avoid surprises.**
- ✓ **The more RESEARCH, RESEARCH, RESEARCH, you know, the better your decision is likely to be.**

## What is the franchise business?

The franchise business is basically a licensing system by which the owner (licensor or franchisor) of a product or service licenses others to market his product or service (franchisees) within a defined territory following the guidelines established by the licensor.

There is virtually no product or service that is not available to the consumer through a franchise business.

Many of the finest brand names we know are sold through franchise outlets. In addition to being a widely diversified business, it has been part of the business scene in this country for over 100 years.

Franchising brings in \$1 trillion dollars per year

with outlets employing over 12 million people. It includes hotels, automotive and repair, business services, cleaning services, restaurants, educational services, health and fitness, senior care, pet care, printing and publishing services, personnel staffing/coaching, retail stores, computer, manufacturing and almost any field you can name.

Operations which are franchised provide a number of benefits such as training, start-up assistance, purchasing power, marketing programs, tested operating systems, and continued support, all part of a "safety net" for individuals entering the world of the franchised business owners.

## The benefits to you as a franchisee

**YOU** own an independent business, dealing in a proven and known product or service sold under a national name.

**YOU** can start your own business with limited experience and capital.

**YOU** buy a proven franchise business, so you can achieve a significant return on your investment.

**YOU** will enjoy high prestige in your community.

**YOU** are provided material for local advertising and promotion to supplement national advertising.

**YOU** can save through group buying of supplies, equipment, printing, etc.

**YOU** are given all necessary training.

**YOU** can enroll in an excellent group health insurance plan for you and your family.