

Stick to the Path
Get your trip down franchise-buying lane off on the right foot with a little how-to help.
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By Andrew A. Caffey
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Digging into the franchise mine for that perfect nugget of a franchise program presents a serious challenge: not finding willing sellers, but rather, being swamped by the number of programs from which to choose.

The best defense you have against the franchise-selling onslaught is to have a sharp idea of what will bring you happiness and what you can afford. This requires some planning before you jump into the marketplace. Jot down your real interests in business ownership. Do you want to own a business that serves the general public? Or would you prefer to cater to business customers? Are you nuts about specialty foods? Do you need part-time work or high levels of flexibility? Do you want to get family members involved? The planning questions are endless. The point is to think out your personal business goals. As any navigator will tell you, if you don't know where you're going, you won't know when you've arrived.

The sources of information on franchises are plentiful. One of the easiest ways to get a feel for the marketplace is to attend a franchise and business opportunity trade show. A handful of organizations run trade shows in major cities throughout the year.

When you get to the show, spend a few minutes going over the exhibitors listed in the show brochure. Identify companies you recognize and especially those that fit into your planning profile. Work your way through the aisles systematically, stopping by every booth you've noted in your brochure. Dress for casual business. Leave your personal business cards with companies that interest you, and plan to follow up for more information.

The Internet is an indefatigable source of franchise information. The hype-to-fact ratio is high, but you can gather a lot of basic information. Check out Entrepreneur's FranchiseZone for comprehensive sector coverage. Magazines and books also offer good material, including my new book, *Franchises & Business Opportunities*. And don't hesitate to contact a franchisor directly for program information.

Once you've identified a few franchise offerings that intrigue you, it's time to dig deeper. You probably have a collection of promotional information, and that's fine as far as it goes, but as a franchise investor, you have a great advantage over people buying an independent business: the Uniform Franchise Offering Circular. The UFOC is an offering prospectus prepared by every franchisor, required by law to be delivered to a prospective franchisee at least a couple weeks before the contract is signed or you invest money in the franchise. What a gold mine of information! A UFOC contains a sample copy of the franchise agreement, a set of financial statements to tell you about the financial health of the franchisor, and a running description (in plain English, no less) of the key aspects of the franchise investment:

- * The business background of the franchisor, and its key executives, as well as the company's litigation and bankruptcy history
- * The franchisee's fees and total initial investment
- * The purchasing requirements and product restrictions imposed on the franchisee
- * Financing offered by the franchisor, and other franchisor obligations under the franchise agreement
- * Your territorial, patent, copyright and trademark rights
- * A summary of provisions describing renewal, termination, transfer and dispute resolution
- * Earnings claims and system performance information
- * Statistics about the national franchise system, including a list of the names, addresses and telephone numbers of franchisees in your region

Read this important document. Get franchisor representatives to answer all your questions, and leave no stone unturned. Take the UFOC to your accountant and a good attorney, so you know exactly what you're getting into.

The single most important step in your franchise evaluation is to talk to current franchisees. Use the contact list in the UFOC, get in your car and visit their businesses. Find a convenient time to talk to the owners and find out what they like and don't like about being a franchisee.

How Uncle Sam Protects You

As a franchise buyer, you need Uncle Sam. Here's how the government helps to protect you from illegitimate franchises:

*** The Feds:**

For more than two decades, the FTC has been in the business of insisting that prospective franchisees receive full pre-sale disclosure. The FTC's Franchise Rule, adopted in the dark ages of the past century (OK, 1979), requires franchisors to deliver an offering disclosure document the size of a small phone book to every prospective franchisee at least a couple of weeks before the contract is signed. The intended result: fully informed franchise investors. Franchisors aren't required to register or otherwise file with the FTC; they satisfy the Franchise Rule by delivering full disclosure on time.

The FTC may bring an enforcement action against any franchisor that doesn't meet its disclosure obligations or exhibits more serious problems. Most of its cases have targeted business opportunity sellers, not franchisors. The FTC's Web site is a great source of information.

*** Sale Regulation:**

Fourteen states require franchisors to deliver a pre-sale offering prospectus (the UFOC), register the offering with a state agency and renew the registration annually.

These laws create a private right of action for investors injured by franchisors who don't comply with the rules, and the administering agencies (usually the attorney general or the securities agency) can provide information to investors about specific franchise companies. The franchise registration states are California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

*** State Relationship Laws:**

Eighteen states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands have adopted laws that protect franchisees from arbitrary termination of their franchise without good cause. Under these laws, an injured franchisee has the right to sue for damages. The franchise relationship law states are Arkansas, California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, South Dakota, Virginia, Washington and Wisconsin. Once the franchisor has thoroughly checked out the applicant's qualifications, and the applicant has reviewed all the documents, seen an accountant and attorney, scraped together the money required to buy the franchise, and completed all the necessary discussions, it is time to close on the transaction.

Purchasing the franchise rights for a business that has not yet been built is not a complicated transaction, and the closing involves nothing more than signing a few contracts and sliding a check across the table for the initial franchise fee. Most "closings" for franchise sales do not take place in a room face-to-face with the franchisor. They take place through the mail. The company sends you a final package with tabs showing where your signature is needed and a cover letter stating the amount of the initial franchise fee. You sign and return, and it's done.

However, you should pay attention to the following before you sign on the dotted line:

o The franchise agreement:

This contract should have been in your hands with all blanks filled in for at least five business days before you sign and date it. That's a requirement imposed on the franchisor by state and federal law; it's not the franchisee's responsibility to see this is met. Make sure your attorney has reviewed the contract and signed off on it. If you've requested any changes to accommodate you, make sure they appear in the final form of the contract.

Many companies ask you to sign two originals and return them to the company. The franchisor then executes the agreement and returns one original to you for your records.

o Always date your signature:

Begin the habit of adding a date to any legal document that contains your signature. If the form you're signing doesn't have a space to show the date, simply jot it immediately after your signature. Dates are important in the regulation of franchise sales, and you may be called upon to swear as to a series of dated events. The date of delivery of the UFOC, the date you first had a face-to-face meeting with the franchisor, the date on which you received a completed franchise agreement and the date on which you signed the franchise agreement are all important.

Never backdate a document, even if asked to do so by the franchisor; it will only confuse your recollection of events. Make sure your document record is clear on the dates.

o Other contracts:

You may be presented with other contracts to sign that are ancillary to the franchise agreement. All such documents should be included in the UFOC and not come as a surprise at closing. If you do receive a surprise contract, check it with your attorney. Ancillary contracts may include a site selection agreement (if you don't have a site selected yet), an agreement regarding necessary lease terms and an acknowledgment of the training schedule.

o UFOC:

If you have not received the franchisor's UFOC at least 10 business days before you're asked to sign the franchise agreement, stop. Don't sign the contract; don't send any money. This could indicate a mere oversight, or it could mean you have a more serious problem. Contact your franchisor representative.

*******Notes From Cliff Ennico, noted small business lawyer and host of PBSTV's Money Hunt*******

"Before anyone can call themselves a "franchise," they have to pass through some pretty strict legal hurdles. First, they have to prepare a disclosure document (called a Uniform Franchise Offering Circular or UFOC), and have it approved by the Federal Trade Commission in Washington D.C. Then, they have to register there UFOC with the securities regulators in each state where they plan to solicit franchisees. Until they have done all that, they have no right to call themselves a "franchise, and they cannot legally sell a franchises to anyone."

o Lease paperwork:

If you've selected a location for the franchised business, you probably have received a proposed lease from the landlord. Make sure your attorney sees this lease form and that you understand what requirements the franchisor might impose on the lease terms. It probably won't hold up the closing if this isn't resolved, but you want to give all parties--and their attorneys--as much notice as possible regarding the potential terms of any lease.

o Bank paperwork:

If you've arranged a loan from a bank or other lending institution, it'll want a copy of the franchise agreement (and every other piece of paper related to the franchise) as soon as possible. Talk to your banker about the steps necessary to provide the money you're borrowing, and when it'll be available. Make sure all is in order before you close.

Excerpted from Franchise & Business Opportunities: How to Find, Buy and Operate a Successful Business (look in the Entrepreneur Press section at www.smallbizbooks.com) by Andrew A. Caffey You sign the franchise agreement and celebrate taking such a giant step in your business career. Then what? What can you expect of the franchisor and the business development process? Though there are too many variables to pinpoint a "typical" process, expect some common steps in your franchise's development.

A well-organized franchisor will have every step in the development of your new business mapped out in detail. You'll probably be assigned a lead person to help you push through the stages necessary to open on time.

o Site location:

Your first task is to find a site. You'll rely on the expertise and guidance of the franchisor for the business features of a strong site. What levels of automotive and pedestrian traffic should you look for? What neighborhood demographics make an ideal site for your business?

Finding a location takes time, and you should jump into it with enthusiasm. Locate a commercial real estate broker. Many franchisors will visit your market to discuss possibilities.

o Orientation:

Most franchisors schedule a visit to company headquarters soon after you sign the franchise agreement. Expect to spend the better part of a week meeting with franchise representatives and receiving the complete introduction to the company, top to bottom.

o Team-building:

One of the most critical steps in preparing for business is to find a solid team of managers and line employees. Expect to tackle this yourself, taking out newspaper ads and interviewing candidates. The franchisor can tell you how many people you need to hire before you begin the business.

o Training:

You and your managers will probably attend a full training program at the franchisor's training center, covering everything from opening the front doors in the morning to cleanup procedures at the end of the day. Great training is the hallmark of the best franchise organizations.

o Build-out:

The franchisor usually provides a set of standard architectural drawings, which you and your contractor can adapt to your specific location. At this point, you tap into the financing you have lined up for the business. With money flowing, you buy operating equipment, small wares, signs, fixtures and build-ins for installation. The contractor and his or her team will pull it together into a complete business. Remember that the franchisor will have to approve all aspects of the build-out, so make sure you touch base at all critical stages with your franchisor company representative. Now the business starts to take shape, leaping out of your imagination into a real commercial space.

o Opening:

Ah, the unparalleled excitement of opening day! Many franchisors send out an entire training team that does nothing but train new employee groups for store openings. The opening team arrives about 10 days before opening day and trains all your employees in the various parts of operation.

o Field support:

Your franchisor will visit your operation regularly to discuss what's going right and what needs to be improved. Some franchise programs have adopted elaborate evaluation points systems, but the thrust of the concept is the same: giving you an evaluation of the strengths and weaknesses of the business, and an expert assessment of where and how you can make improvements.

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Common mistakes people make when buying a franchise

By Jenny C. McCune • Bankrate.com

Mistakes to avoid when buying a franchise Franchises generally have better success rates than a start-from-scratch business. That's because the concept's proven and a franchisee gets supports and aid from his or her franchiser.

But just because the odds are better doesn't mean that mistakes can't happen. Here are some of the common mistakes people make when buying a franchise:

- **Buying an ill-fitting franchise.**

It happens more often than you think. The introverted corporate refugee buys a doughnut store franchise only to find out that he hates selling to the public and hates getting up early to make the doughnuts. "People don't look at themselves and match their own personality with the type of franchise that they are considering," says Nancy Ghanem, founder and president of Franchise.com.

- **Striking a bad deal with a broker.**

Although there are exceptions to the rule, most franchise brokers are middlemen who can easily represent 100 franchise opportunities. Brokers won't know the franchise as well as the franchiser. The broker "may be a gifted salesman, but that's it. He'll tell you what franchise is right for you based on what he needs to sell," says Michael H. Seid, managing director of Michael H. Seid & Associates, a franchise consulting firm in West Hartford, Conn., and co-author of *Franchising for Dummies*.

- **Falling for a fad, not a business.**

Sure, smoothies were hot five years ago, but many of the smoothie-only franchise shops are now having to branch out in order to survive. "When the fad ends, you may not want to be around as the franchiser has to raise his concept to a new level," Seid says.

- **Not analyzing the Uniform Franchise Offer Circular (UFOC).**

A UFOC is basically the franchiser's prospectus. It outlines the company's concept, its financials and its strategy. Seid recommends hiring a lawyer that specializes in franchise law to read and interpret the document for you. "Even though it's in plain English, that's the problem. You think that you can read it yourself," Seid says. "But a lawyer will be able to read between the lines for you."

- **Failing to find out about the bottom line.**

Before you sign an agreement, nail down the ultimate cost of buying the franchise, says Marcia Layton Turner, author of *The Unofficial Guide to Starting a Small Business*. That includes upfront fees, royalties, capital needed to open the store, etc. Check with current franchisees to validate the franchiser's own estimates and figures.

- **Ignoring fees.**

One common mistake that would-be franchisees make: They look solely at how much it costs to buy into a franchise, not total costs.

"They'll only look at franchises with an initial investment of \$5,000 or less," explains Turner. It's better to first figure out what business is best for you instead of automatically excluding franchises because of the initial investments. "There are also a lot of other costs in starting a franchise, so you shouldn't solely base your decision just on that figure," Turner says.

- **Skipping the chance to meet existing franchisees.**

A franchiser's current roster of franchisees can tell you a lot about the business. "They have the view from the trenches," Seid says. Also, their operation will reflect on you. If the franchisee nearest to your location gives lousy service and keeps a filthy store, that will affect how consumers think about the franchise -- including your operation.

- **Foregoing a visit to the franchise headquarters.**

Only do this with your final candidates -- four or five potential franchises -- notes Seid. It's important to see the franchiser on his home turf. It can tell a potential franchisee a lot about how he or she will be treated and what the operation is like -- first-class or something run out of a strip mall with a post office box address.

- **Falling in love with a franchise.**

Sure, you want to enjoy the business, but you need to act on hard, cold facts, not with your emotions. "It's like buying a house that you fall in love with and objectivity falls out the window," Turner says. "You have to make decisions with your head, not your heart."

- **Thinking the franchise "brand" will do all the work.**

A franchise with a good name doesn't guarantee success. You'll have to do your fair share of work to make your particular outlet a success, Turner says.

- **Neglecting to examine the overall market.**

Maybe the franchise you're investing in is going gangbusters, but how is the health of the industry in general. Is it booming? Is the market becoming oversaturated? What about specifically in your location? Maybe the franchise concept is a fine one, but it won't work in your neighborhood. "Remember that a Blimpies doesn't just compete with a Subway," Seid says. "You have to compare it to all the competition."

- **Failing to read the licensing agreement's fine print.**

Confirm what you'll be getting when you become a franchisee. "In some cases the territory rights may be vague," Turner says. "You may think you're buying exclusive rights and you're not. You have to make sure that you and the franchise agree with what you're getting."

- **Becoming overconfident and overcommitted financially.**

"People will fail to analyze their own capital situation," says Franchise.com's Ghanem. "They won't assess whether or not they have enough money and will end up overcommitted."

Jenny C. McCune is a contributing editor based in Montana

Franchises - Pros & Cons

Franchises are hot items these days. If you've ever checked into buying a franchise, you know that there is a wide assortment to choose from offering you just about anything you would want. However, before you decide to spend all of your savings on the franchise of your dreams, you may want to consider what the pros and cons of buying a franchise versus starting your business from scratch. As with anything, there are things you gain and things you lose. Let's take a look.

The PROS of buying a franchise include the following:

Be your own boss (at least to a point). Franchises offer you the chance to go into business yourself even if you are lacking in capital or business experience.

Get a head start. Compared to normal start-up companies, franchises provide a head start to the business owner by providing support on an as-needed basis. A common saying in the franchise industry is "You're in business for yourself, but not by yourself."

Gain additional training and assistance. Franchises have a vested interest in your Success. As a result, many offer extended training and assistance with business set-up, personnel training, site selection, lease negotiation, collective buying power, and advertising.

Profit from name recognition. One of the most difficult things to do when starting a business is to develop a recognizable presence with your customers. Franchises eliminate this hurdle by developing an image in the marketplace. This is important because it saves you both time and money. However, be certain that the image is a favorable one before you invest.

Although there are definite advantages to franchises, just remember that there are two sides to every coin. Some of the CONS of buying a franchise include the following:

You must play by the rules. If you are buying a franchise because you can't stand working for someone else, you may want to think twice. When you buy a franchise, you are not free to do as you please. In many cases, franchisors require you to play by their rules. These rules may pertain to such things as the products you are allowed or must carry, reporting procedures, dress codes, hours, and, overall, how you run your business.

Nothing is ever free. In addition to the initial franchise fee you will have to pay, most franchisors require that you pay a percentage of your monthly gross sales back to the parent company. Many also require that you buy your products directly from the parent company (which may prohibit you from getting the best prices).

Please remember that there is no right or wrong answer when it comes to buying a franchise. You must decide for yourself, depending on your requirements and constraints. For some people, giving up just a little control is completely out of the question. Others may like the fact that someone will be lending a helping hand (even if it does cost a little). For those of you in this second category, there are some things you need to consider before actually putting money on the table.

Some of the things you will want to consider before buying a franchise include the following:

Enjoy yourself. Pick something you are going to enjoy doing years down the road. It's easy to get misled by promises of high profits and outstanding growth, but in the end, if you don't like it, chances are you won't stick with it.

Check out the competition. Research is critical whether you are starting your own business or buying one. Find out who your competition is. Are they busy? Is the market already saturated with this type of business? Asking questions like these can often save you from making a costly mistake.

Buyer beware. Remember, franchisors want to sell you a business. Even though many franchisors will present you with their profit projections, it is best to come up with your own figures.

Find out about financing. Over 250 franchisors offer some type of financing. Find out if the one you're interested in does.

Evaluate the overall strength of the franchisor. Make certain you are given a disclosure document called the Uniform Franchise Offering Circular. This document will help you to evaluate the overall strength of the franchisor by providing you with information required by the FTC Rule and by state law. It will include such things as the franchisor's business background, the financial history of the franchise, termination and renewal statistics, product purchase requirements, training programs offered, etcetera.

Investigate state regulations. Franchise disclosure laws are administered by agencies in 15 states in the U.S. including California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Oregon, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. Also, the International Franchise Association (IFA) offers information at a minimal fee regarding franchise opportunities and what you need to investigate before investing. You can contact the IFA at (800) 543-1038. Their Internet address is <http://www.franchise.org/>

(American Women's Economic Development Corporation, Stamford, CT, 4/97)

FRANCHISE ADDENDUM TO THE BUSINESS PLANNER CHECKLIST

by Alan J. Zell

In addition to the questions asked in the business plan checklist, anyone considering buying a franchise should consider the following:

The franchise:

- The parent company or franchisor is _____
- Are you dealing with the parent company or through some other franchisee or broker?
- Have you investigated the parent company and/or the person(s) you are working with?
- Have you received the UFOC (Uniform Franchise Offer Circular)
- Do you understand it? What questions do you have?

Do you know the following:

- The initial fee for the franchise is \$ _____ ?
- The monthly franchise fee is a percentage of sales or a flat fee? Is it to the parent company or to a franchisee?
- What is the total investment?
- Does the investment include working capital?
- Do they provide and/or require location/construction/equipment (included in the fees, co-op, or paid by the franchisee) training assistance (initially and/or ongoing), supplies (initial/start-up, ongoing and must/need not come from the parent company), advertising (included in the fees, co-op or matching basis, paid by franchisee).
- If the franchisee offers financing for the startup? Under what conditions?
- How many franchisees in the system? Have you contacted any of them?
- What problems have other franchisees encountered?
- How responsive has the franchisor been to franchisees' questions, needs, etc?
- Do you have to make all the changes in product, service or equipment the parent company offers?
- Will they give you an exclusive territory?
- What income potential does the franchisor say you can reach . . . and how soon?
- Can you terminate the contract? Is there a penalty for doing so?
- Have they provided you with their financial statement?
- Have they or will they provide you with a full disclosure statement?
- Can you sell your operations to another person or firm?
- Is there a time limit on your franchise?
- What happens when that time is up?
- Will you be able to extend your agreement without any increase in fees?
- If they wish to take it over or buy it from you, how do they evaluate the value of your operation?

Have you reviewed the agreement with a franchise attorney?

Finally, get help on the Internet on franchises. Here are some good sites:

www.franinfo.com

www.sba.com

How to Avoid Buying a Franchise that Might Go Under

By Lori Kiser-Block

<http://www.franchise.com/>

Statistics show that your chances for success as an entrepreneur are greater if you start your new business as a franchisee rather than opening a business all on your own. However, there are times when even franchise systems aren't successful and around for the long term. Of course there are no guarantees but you can boost your chances for finding a franchise with stability by doing some additional research.

A franchise company usually begins when someone has a desire to bring a product or service to a wider audience. One or more units, often called company stores, are opened so the product or service can be tested, refined, retested and improved. Once the company stores have experienced some success, the company will begin early franchising efforts.

Opening the first 10-25 franchised units is often the most difficult phase for a franchisor. The company will have to learn how the concept works in a variety of locations and with a variety of franchisees. Marketing can be tried on a larger scale and there are hundreds of details to be modified, changed, refined and locked down.

Once this initial group of franchisees experiences financial success, the franchisor will open up franchising to a larger group. If you are a risk taker, feel free to jump in at any of the earlier stages of a franchisor's development. If you'd rather avoid risk, confine your research on potential franchise opportunities to those companies that have survived the initial stages and have at least 25 or more successful franchise operations in place.

Yes, there are companies that are solid gold from inception. But as a general rule, the earlier you get involved in any business, the greater the risk. Not only that, by joining an established company you will also avoid many of the bumps along the road. A franchise that has reached a modest number of successful franchisees will have added sufficient infrastructure to support you and the marketing/branding efforts will help draw customers to your location.

By focusing your search on those companies that have reached this stage of development, you can increase your chances of success in finding one that will be around for the long term.

Validating the Franchise

Another way to increase your chances of franchisee success is to talk to the existing franchisees in a system. This cannot be overemphasized. The very best way to learn about a franchise system is to talk to a variety of franchisees and ask them very pointed questions, such as, "Have you reached your financial goals as a franchisee?" You want to find out actual earnings, not pie-in-the-sky expectations. New franchisees are notorious for having unrealistic expectations about the profitability their business will experience, until they've actually been in business for awhile.

The next question to ask existing franchisees is about the overall attitude of the franchisor about the business itself. What you want to see here is an attitude from the franchisor that their success is based on the success of the franchisees. In general, the more the franchisor is willing to help the individual franchisees become successful, the greater the longevity of the company.

Support from Franchisor

Once you've talked to existing franchisees and gotten good feedback about the company you will want to take a close look at the infrastructure of the franchise company. Your success as a franchisee will depend on the dedication and expertise of the operational support people so find out how long they've been with the franchisor and what previous experience they've had. Your conversations with existing franchisees should help you learn whether these people are competent and accessible but you will also want to talk to these support people yourself to be assured of compatibility. The operations and support people are there for your benefit and you want to make sure you will get your money's worth out of the association.

While there are no guarantees that a franchised company will be around for the future, there are ways to position yourself for a greater chance of success. When doing your research, keep in mind that a company that has reached at least a modest number of units (a minimum of 25 is suggested) will have a better chance of long-term survival than one that is new to franchising. If that company also has happy and successful franchisees and the right attitude toward mutual success, then you should feel comfortable the company has a very good chance of survival.

When making a decision as important as purchasing a franchise, you definitely want to be sure that the company will be around for the long term and that you will get the full benefits of being part of a franchise system. The bottom line is that just like any business, franchise companies can also fail. However, you can minimize your chances of joining a franchisor that won't be around by doing a complete and thorough investigation of the company. This will take more work on your part but your reward is that you will be better protected from buying a franchised business that might go under.

Lori Kiser-Block is Vice President of FranChoice, a national network of franchise consultants that provide free guidance and advice to qualified individuals in the United States searching for franchise opportunities that match their personal interests and financial qualifications.

Rank - Franchise - Name/Description - Start-up Costs

1 Curves Women's fitness & weight-loss centers \$25.6K-31.1K	16 Adventures in Advertising Franchise Inc. Promotional products/advertising specialties \$11.9K-47.7K
2 7-Eleven Inc. Convenience store Varies	17 Jan-Pro Franchising Int'l. Inc. Commercial cleaning \$1K-14K+
3 Jani-King Commercial cleaning \$11.3K-34.1K+	18 Furniture Medic Furniture restoration & repair services \$35.5K-78.9K
4 Jackson Hewitt Tax Service Tax preparation services \$47.4K-75.2K	19 Novus Auto Glass Windshield repair/replacement \$37K-169K
5 CleanNet USA Inc. Commercial office cleaning \$3.9K-35.5K	20 Carlson Wagonlit Travel Travel agency \$3K-164K
6 Kumon Math & Reading Centers Supplemental education \$5.9K-30.6K	21 ProForma Printing/promotional products \$7.1K-29.2K
7 RE/MAX Int'l. Inc. Real estate \$20K-200K	22 Candy Bouquet Floral-like designer gifts & gourmet confections \$7.3K-44.1K
8 Chem-Dry Carpet Drapery & Upholstery Cleaning Carpet, drapery & upholstery cleaning \$23.5K-82.7K	23 Pillar To Post Home inspection service \$23.9K-41.7K
9 Jazzercise Inc. Dance/exercise classes \$1.8K-20.6K	24 Realty Executives Int'l. Inc. Real estate services \$22.6K-83.1K
10 ServiceMaster Clean Commercial/residential cleaning & disaster restoration \$23.2K-86.5K	25 Results! Travel Travel services to \$11K
11 Merle Norman Cosmetics Cosmetics studios \$33.1K-153.1K	26 CruiseOne Inc. Cruise-only travel agency \$9.8K-26.3K
12 Merry Maids Residential cleaning \$32.5K-49.5K	27 Home Instead Senior Care Non-medical senior-care services \$30.2K-39.5K
13 Orion Food Systems LLC Fast-food systems for non-traditional markets \$16K-680K	28 Comfort Keepers Non-medical in-home senior care \$39K-45K
14 Coverall Cleaning Concepts Commercial cleaning \$6.3K-35.9K	29 Kitchen Tune-Up Wood restoration, custom cabinets/refacing, floor finishing \$36.7K-47.3K
15 Liberty Tax Service Income-tax preparation services \$38.1K-49.1K	30 HomeTeam Inspection Service, The Home inspection service \$19.5K-46.1K
31 HouseMaster Home inspection service \$19.3K-54K	46 Bevinco Bar Systems Ltd. Liquor inventory-control service \$41.5K-45K
32 Maid Brigade USA/Minimaid Canada Residential cleaning \$43.5K-231K	47 Home Helpers

<p>33 Cruise Planners Cruise/tour agency \$10K-17.1K</p> <p>34 Christmas Decor Inc. Holiday & event decorating services \$20K-60K</p> <p>35 Duraclean Int'l. Carpet/furniture cleaning & restoration, mold remediation \$38.99K-71.5K</p> <p>36 WSI Internet Internet services \$40K-50K</p> <p>37 Maid To Perfection Residential & light commercial cleaning \$36.3K-43.6K</p> <p>38 Padgett Business Services USA Inc. Financial, payroll, consulting & tax services \$39.5K-49.5K</p> <p>39 Heaven's Best Carpet & Uphol. Cleaning Carpet & upholstery cleaning \$15.9K-55.6K</p> <p>40 Dr. Vinyl & Associates Ltd. Mobile vinyl/leather repair/windshield repair \$41K-66.5K</p> <p>41 Affiliated Car Rental LC Car rentals \$34.9K-52.2K</p> <p>42 American Poolplayers Assoc. Recreational billiard league \$10.6K-13K+</p> <p>43 Assist-2-Sell Discount real estate services \$30K-57K</p> <p>44 Re-Bath LLC Acrylic liners for bathtubs/showers/walls \$34K-149K</p> <p>45 OpenWorks Office/commercial cleaning \$15K+</p>	<p>Non-medical care services \$22.4K-35.9K</p> <p>48 Colors On Parade Mobile automotive appearance services \$38.7K-594K</p> <p>49 Property Damage Appraisers Auto & property appraisals for insurance cos. \$18.3K-35.95K</p> <p>50 House Doctors Handyman services/home repairs \$19.5K-45.6K</p> <p>51 Vanguard Cleaning Systems Commercial cleaning \$2.2K-19.7K</p> <p>52 National Property Inspections Inc. Home & commercial property inspections \$27.5K-30K</p> <p>53 SuperGlass Windshield Repair Windshield repair \$9.9K-31K</p> <p>54 Gloria Jean's Gourmet Coffees Franch. Corp. Gourmet coffee, teas & accessories \$25.2K-437K</p> <p>55 Interiors by Decorating Den Interior decorating services & products \$40K</p> <p>56 Weed Man Lawn care \$47.7K-69.2K</p> <p>57 Schooley Mitchell Telecom Consultants Telecommunications consulting \$37.5K-80K</p> <p>58 Worldwide Express Discounted air express services \$40.7K-295.3K+</p> <p>59 Rainbow Int'l. Carpet Care & Restoration Indoor restoration & cleaning \$47.1K-95.1K</p> <p>60 Jet-Black Int'l. Inc. Asphalt maintenance services \$36.3K-46.3K</p> <p>61 BrickKicker Home Inspection, The Home/property inspection service \$15.1K-52.1K</p>
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<p>62 Perfect Wedding Guide Inc., The Wedding guide \$39K-49K</p> <p>63 FasTracKids Int'l. Ltd. Enrichment education for young children \$10.8K-39.6K</p> <p>64 World Inspection Network</p>	<p>77 Sunbelt Business Brokers Network Business brokerage \$18.3K-65K</p> <p>78 Kitchen Solvers Inc. Kitchen/bath remodeling & cabinet refacing \$24K-45K</p> <p>79 Aire-Master of America Inc.</p>
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<p>Home inspection service \$33.3K-48.2K 65 Bonus Building Care Commercial cleaning \$7.6K-13.3K 66 Complete Music Mobile DJ entertainment service \$19.7K-33K 67 Swisher Hygiene Franchise Corp. Restroom-hygiene/commercial pest-control services \$30.2K-170.1K 68 Nationwide Floor & Window Coverings Floor & window coverings \$34.7K-93.2K 69 AmeriSpec Home Inspection Services Home inspection service \$23.3K-62.3K 70 United States Seamless Inc. Seamless steel siding, gutters, windows & doors \$49.5K-147K 71 Color-Glo Int'l. Inc. Fabric dyeing & restoration \$18K-30.3K 72 Mad Science Group, The Science activities for children \$40K-70K 73 Crestcom Int'l. Ltd. Management, sales & office-personnel training \$44.4K-73.2K 74 Lil' Angels Photography Preschool & day-care photography \$27.7K-32.2K 75 Rent-A-Wreck Auto rentals & leasing \$32.8K-207K+ 76 Certa ProPainters Ltd. Residential & commercial painting \$46.2K-67.8K</p>	<p>Restroom deodorizing & maintenance services \$40.6K-110.9K 80 Critter Control Inc. Urban/rural wildlife management \$9.8K-66K 81 VR Business Brokers Business brokerage/mergers & acquisitions \$32.1K-58.8K 82 Window Gang Window/pressure cleaning \$17.5K-77K 83 Mr. Rooter Plumbing,sewer & drain cleaning services \$46K-120.5K 84 High Touch-High Tech Science activities for schools/children's parties \$20.1K 85 Tower Cleaning Systems Office cleaning \$1.9K-23.8K 86 Archadeck Wooden decks/screened porches/gazebos \$36.3K-76.3K 87 Kinderdance Int'l. Inc. Children's movement/educational programs \$9.4K-25.6K 88 Pop-A-Lock Franchise System Auto locksmithing/roadside assistance services \$23.4K-459K 89 Pressed4Time Inc. Dry cleaning pickup/delivery; shoe repair \$19.6K-28.5K 90 Sports Section, The Youth & sports photography \$16.4K-51.7K 91 Dentist's Choice, The Dental handpiece repairs & products \$25.9K-30.1K 92 Val-Pak Direct Marketing Systems Inc. Co-op direct-mail advertising \$32K+</p>
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<p>93 Anago Franchising Inc. Commercial cleaning \$7.8K-457K 94 Cartex Limited Leather, vinyl, plastic & cloth repair \$34.5K-95.2K 95 Griswold Special Care Non-medical home-care services \$6K-30K 96 Window Genie Resid. window clng./window tinting/pressure washing</p>	<p>108 Interquest Detection Canines Canine detection services \$46.5K-85.3K 109 1-800-DryClean Dry cleaning pickup & delivery \$45K-88.5K 110 Andy OnCall Handyman services \$23.6K-43.7K 111 Priceless Rent-A-Car Car rentals & leasing</p>
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<p>\$34.4K-47.3K 97 Drama Kids Int'l. Inc. After-school children's drama program \$32.4K-39.4K 98 Allstate Home Inspect./Environ. Testing Home inspection & household environmental testing \$8.9K-32K 99 Stretch-N-Grow Int'l. Inc. On-site children's fitness program \$15K-17K 100 Inspect-It 1st Property Inspection Home inspection service \$32.8K-47.9K 101 Dent Doctor Paint-free dent repair \$49.95K-77.4K 102 Homewatch Caregivers Home-care services for seniors \$22.3K-42.5K 103 Hayes Handpiece Franchises Inc. Dental handpiece repairs \$41.4K-42.9K 104 Money Mailer LLC Direct-mail advertising \$48.7K-88.3K 105 Oil Butler Int'l. Corp. Mobile oil change/quick lube/windshield repair \$28K-40.7K 106 T.J. Cinnamons Cinnamon rolls & gourmet bakery products \$32.6K-47.2K 107 V2K, The Virtual Window Fashion Store Window treatments/digital design services \$45K</p>	<p>\$30.9K-175K 112 Altracolor Systems Mobile auto painting & plastic repair \$25.2K 113 Bathcrest Inc. Bathroom renovation services \$29.5K-54.5K 114 Miracle Method Surface Restoration Bathtub, sink, countertop & tile repair/refinishing \$12.5K-40K 115 Mr. Appliance Corp. Household appliance services & repairs \$29.8K-66.5K 116 Friendly Mobile Computers On-site computer services & sales \$14.5K-180K 117 Service Team of Professionals Inc. Disaster restoration/carpet cleaning/mold remediation \$10K-104K 118 Ident-A-Kid Services of America Child identification products & services \$29.5K-64.96K 119 U.S. Lawns Landscape maintenance services \$48.5K-56K 120 MaidPro Professional home & office cleaning \$27.9K-65.9K 121 Lemon Tree, The Family hair care \$44.9K-78K 122 Aerowest/Westair Deodorizing Services Restroom deodorizing system \$8.4K-30.99K</p>
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<p>123 Fibrenew Leather, plastic & vinyl restoration \$25K-50K 124 BuildingStars Inc. Commercial cleaning \$1.9K-42.2K 125 Woody's Hot Dogs Hot dog, beverage & coffee carts/in-line outlets \$45K 126 Econotax Tax services \$15.4K-33K 127 Visiting Angels Non-medical home-care services for seniors \$19.95K-36.2K 128 Laser Chem Commercial Cleaning Commercial cleaning</p>	<p>135 Happy & Healthy Products Inc. Frozen fruit bars & smoothies \$23K-55K 136 Dealer Specialties Int'l. Inc. Used-car window stickers \$10.2K-35.4K 137 Decor & You Inc. Interior decorating services & products \$28K/95K 138 Pets Are Inn Pet lodging service in private homes \$20K-75K 139 Fish Window Cleaning Services Inc. Window cleaning \$33.4K-84.5K 140 Expetec Computer, printer & telecommunications sales &</p>
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<p>\$12.1K-34.5K+</p> <p>129 Tastee-Freez Int'l. Ice cream & fast food</p> <p>\$39.8K-1.6M</p> <p>130 Leadership Management Inc. Executive/management training</p> <p>\$33.5K-37.5K</p> <p>131 Rescuecom Computer consulting & repair services</p> <p>\$7.1K-44.4K</p> <p>132 Computer Troubleshooters Computer services & support</p> <p>\$12.5K-19.9K</p> <p>133 Today's Window Fashions Custom blinds, shades & shutters</p> <p>\$19.6K-26.9K</p> <p>134 Contours Express Women's fitness centers</p> <p>\$31.2K-45.7K</p>	<p>service</p> <p>\$49.2K-66.7K</p> <p>141 Truly Nolen Pest/termite control & lawn care</p> <p>\$3.6K-300.5K</p> <p>142 Elephant House Greeting cards</p> <p>\$28K-44.5K</p>
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Top Home Based Franchises

<p>1 Jani-King Commercial cleaning \$11.3K-34.1K+</p> <p>2 Snap-on Tools Professional tools & equipment \$20.7K-247.7K</p> <p>3 CleanNet USA Inc. Commercial office cleaning \$3.9K-35.5K</p> <p>4 Chem-Dry Carpet Drapery & Upholstery Cleaning Carpet, drapery & upholstery cleaning \$23.5K-82.7K</p> <p>5 Jazzercise Inc. Dance/exercise classes \$1.8K-20.6K</p> <p>6 ServiceMaster Clean Commercial/residential cleaning & disaster restoration \$23.2K-86.5K</p> <p>7 Servpro Insurance/disaster restoration & cleaning \$81.5K-102K</p> <p>8 Matco Tools Automotive/professional tools & equipment \$60K-156K</p> <p>9 Coverall Cleaning Concepts Commercial cleaning \$6.3K-35.9K</p> <p>10 Adventures in Advertising Franchise Inc. Promotional products/advertising specialties \$11.9K-47.7K</p> <p>11 Jan-Pro Franchising Int'l. Inc. Commercial cleaning \$1K-14K+</p> <p>12 Furniture Medic Furniture restoration & repair services \$35.5K-78.9K</p> <p>13 Novus Auto Glass Windshield repair/replacement \$37K-169K</p> <p>14 ProForma Printing/promotional products \$7.1K-29.2K</p> <p>15 Lawn Doctor Lawn, tree & shrub care \$67.3K-70.2K</p>	<p>16 Candy Bouquet Floral-like designer gifts & gourmet confections \$7.3K-44.1K</p> <p>17 Pillar To Post Home inspection service \$23.9K-41.7K</p> <p>18 CruiseOne Inc. Cruise-only travel agency \$9.8K-26.3K</p> <p>33 Padgett Business Services USA Inc. Financial, payroll, consulting & tax services \$39.5K-49.5K</p> <p>19 Entrepreneur's Source, The Franchise consulting & development services \$71K-79K</p> <p>20 Aussie Pet Mobile Mobile pet grooming \$54.4K-542.4K</p> <p>21 Comfort Keepers Non-medical in-home senior care \$39K-45K</p> <p>22 Kitchen Tune-Up Wood restoration, custom cabinets/refacing, floor finishing \$36.7K-47.3K</p> <p>23 HomeTeam Inspection Service, The Home inspection service \$19.5K-46.1K</p> <p>24 HouseMaster Home inspection service \$19.3K-54K</p> <p>25 Cruise Planners Cruise/tour agency \$10K-17.1K</p> <p>26 Action Int'l. Business coaching, consulting & training \$50K</p> <p>27 American Leak Detection Concealed water/gas leak-detection services \$71.3K-155.1K</p> <p>28 Christmas Decor Inc. Holiday & event decorating services \$20K-60K</p> <p>29 Stanley Steemer Carpet Cleaner Carpet & upholstery cleaning \$81.1K-343.1K</p> <p>30 Budget Blinds Inc. Window coverings \$54.7K-81.1K</p> <p>31 Duraclean Int'l. Carpet/furniture cleaning & restoration, mold remediation \$38.99K-71.5K</p>
<p>32 WSI Internet Internet services \$40K-50K</p> <p>33 Padgett Business Services USA Inc. Financial, payroll, consulting & tax services</p>	<p>48 Weed Man Lawn care \$47.7K-69.2K</p> <p>49 Schooley Mitchell Telecom Consultants Telecommunications consulting</p>

<p>\$39.5K-49.5K 34 Heaven's Best Carpet & Uphol. Cleaning Carpet & upholstery cleaning \$15.9K-55.6K 35 Dr. Vinyl & Associates Ltd. Mobile vinyl/leather repair/windshield repair \$41K-66.5K 36 American Poolplayers Assoc. Recreational billiard league \$10.6K-13K+ 37 Scotts Lawn Service Lawn care \$86.7K-406.9K 38 OpenWorks Office/commercial cleaning \$15K+ 39 Bevinco Bar Systems Ltd. Liquor inventory-control service \$41.5K-45K 40 Home Helpers Non-medical care services \$22.4K-35.9K 41 Colors On Parade Mobile automotive appearance services \$38.7K-594K 42 House Doctors Handyman services/home repairs \$19.5K-45.6K 43 Vanguard Cleaning Systems Commercial cleaning \$2.2K-19.7K 44 National Property Inspections Inc. Home & commercial property inspections \$27.5K-30K 45 Aire Serv Heating & Air Conditioning Inc. Heating & air conditioning services \$31.6K-119.5K 46 SuperGlass Windshield Repair Windshield repair \$9.9K-31K 47 Interiors by Decorating Den Interior decorating services & products \$40K</p>	<p>\$37.5K-80K 50 A-1 Concrete Leveling Inc. Concrete leveling & repair services \$77.1K-95K 51 Interface Financial Corp. Invoice discounting \$77.1K-128.3K 52 Worldwide Express Discounted air express services \$40.7K-295.3K+ 53 Rainbow Int'l. Carpet Care & Restoration Indoor restoration & cleaning \$47.1K-95.1K 54 Jet-Black Int'l. Inc. Asphalt maintenance services \$36.3K-46.3K 55 BrickKicker Home Inspection, The Home/property inspection service \$15.1K-52.1K 56 Perfect Wedding Guide Inc., The Wedding guide \$39K-49K 57 Rooter-Man Plumbing, drain & sewer cleaning \$52.8K 58 World Inspection Network Home inspection service \$33.3K-48.2K 59 Mr. Electric Electrical services/repairs contracting \$64K-156.5K 60 Bonus Building Care Commercial cleaning \$7.6K-13.3K 61 Complete Music Mobile DJ entertainment service \$19.7K-33K 62 ABC Inc. Seamless siding system \$89.6K-240.5K</p>
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<p>63 Swisher Hygiene Franchise Corp. Restroom-hygiene/commercial pest-control services \$30.2K-170.1K 64 Nationwide Floor & Window Coverings Floor & window coverings \$34.7K-93.2K 65 AmeriSpec Home Inspection Services Home inspection service</p>	<p>77 Window Gang Window/pressure cleaning \$17.5K-77K 78 Mr. Rooter Plumbing,sewer & drain cleaning services \$46K-120.5K 79 High Touch-High Tech Science activities for schools/children's parties</p>
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<p>\$23.3K-62.3K 66 Screenmobile, The Mobile window & door screening \$52.7K-56.9K 67 United States Seamless Inc. Seamless steel siding, gutters, windows & doors \$49.5K-147K 68 Color-Glo Int'l. Inc. Fabric dyeing & restoration \$18K-30.3K 69 Mad Science Group, The Science activities for children \$40K-70K 70 Crestcom Int'l. Ltd. Management, sales & office-personnel training \$44.4K-73.2K 71 Lil' Angels Photography Preschool & day-care photography \$27.7K-32.2K 72 Certa ProPainters Ltd. Residential & commercial painting \$46.2K-67.8K 73 Sunbelt Business Brokers Network Business brokerage \$18.3K-65K 74 Kitchen Solvers Inc. Kitchen/bath remodeling & cabinet refacing \$24K-45K 75 Aire-Master of America Inc. Restroom deodorizing & maintenance services \$40.6K-110.9K 76 Critter Control Inc. Urban/rural wildlife management \$9.8K-66K</p>	<p>\$20.1K 80 Aero Colours Inc. Mobile automotive paint repair \$56.4K-164.4K 81 Tower Cleaning Systems Office cleaning \$1.9K-23.8K 82 Maui Wowi Smoothie & espresso kiosks \$55K-200K 83 Archadeck Wooden decks/screened porches/gazebos \$36.3K-76.3K 84 Kinderdance Int'l. Inc. Children's movement/educational programs \$9.4K-25.6K 85 Pop-A-Lock Franchise System Auto locksmithing/roadside assistance services \$23.4K-459K 86 Pressed4Time Inc. Dry cleaning pickup/delivery; shoe repair \$19.6K-28.5K 87 Sports Section, The Youth & sports photography \$16.4K-51.7K 88 Dentist's Choice, The Dental handpiece repairs & products \$25.9K-30.1K 89 Val-Pak Direct Marketing Systems Inc. Co-op direct-mail advertising \$32K+ 90 Anago Franchising Inc. Commercial cleaning \$7.8K-457K</p>
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<p>91 Cartex Limited Leather, vinyl, plastic & cloth repair \$34.5K-95.2K 92 Griswold Special Care Non-medical home-care services \$6K-30K 93 Window Genie Resid. window cng./window tinting/pressure washing \$34.4K-47.3K 94 Drama Kids Int'l. Inc. After-school children's drama program \$32.4K-39.4K 95 Allstate Home Inspect./Environ. Testing Home inspection & household environmental testing \$8.9K-32K 96 Stretch-N-Grow Int'l. Inc. On-site children's fitness program \$15K-17K 97 Inspect-It 1st Property Inspection Home inspection service \$32.8K-47.9K 98 Homewatch Caregivers Home-care services for seniors \$22.3K-42.5K 99 Bark Busters In-home dog training \$45K-70K 100 Hayes Handpiece Franchises Inc. Dental handpiece repairs \$41.4K-42.9K 101 Dry-B-Lo Int'l. Inc. Decorative below-deck aluminum rain-carrying ceiling \$65.7K-147.8K</p>	
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*****Miscellaneous Comments by SCORE Counselors*****

www.startupjournal.com Franchises for Sale.
www.franchise.org
www.franchiseassociations.com
www.bison1.com/acad/acad-assoc.html
http://www.franchisehandbook.com/directory/
http://www.entrepreneur.com/Franchise_Zone/FZ_FrontDoor/0,4670,,00.html
www.frannet.com

Once you have gathered general information on franchises you will need to select the franchises that look most promising to you. Write the respective companies for more information, which will likely be a sales brochure. You will want to review their sales information in detail, as well as other information you have gathered.

If after reviewing all of the information you have gathered, you are as still interested in a specific franchise, it is time to get the disclosure document. The initial mailing may have included a disclosure document. If it didn't, you will need to get that document to aid in your analysis. The disclosure document may be in one of two formats; the format specified by the Federal Trade Commission (FTC) or the Uniform Franchise Offering Circular (UFOC). A few states do not accept the FTC format. This document will give you information on the financial and general history of the franchisor (watch for cases where the franchisor changed ownership and ask

them why), fees, entire initial investment, obligations of the franchisor and franchisee, exclusives, trademarks, patents and copyrights, agreement modification, renewal and termination of the franchise, etc.

Four-Step Research Plan

- Read the disclosure document. List questions for your attorney.
- Glean "inside" information from the people who run the business on a daily basis: the franchisees. There is no one better equipped to tell you what you need to know. If approached properly, you will find the majority of the franchisees forthcoming with useful answers. To make the most of your learning, you will have to conduct telephone interviews and visit franchisees in their places of business.
- Visit the home office of the franchisor to obtain first-hand impressions.
- Have experienced professional advisors -- an attorney and an accountant.

Three Tips to remember.

First, Do not limit your research only to local franchisees. They may welcome you as a future colleague but may also see you as a future competitor for new locations, and discourage your entry.

Second, expect to find the unhappy franchisee. Are you surprised? Do you know of any human institution composed of 100% happy campers? Of course not! When you find the unhappy franchisee, ask yourself: " Am I more like this unhappy person, or more like the other satisfied franchisees'?" Your answer is a pretty good predictor of what will happen to you if you buy the franchise.

Third, contact at least two of the franchisees who gave up their franchise for one reason or another in the last year.

Franchisors are required to list these in the UFOC. Probing in this area can also provide similar information to tip two.

Other Franchise Info websites:

www.aafd.org
www.franchisee.org
www.ftc.gov/bcp/franchise/netfran.htm

Franchising: A Marketing Strategy You May Not Have Considered by David Frey

Do you have a successful business but don't know how to expand it?

Do your customers love your products and services and often tell you that you should take your business nationwide? (or worldwide?)

Do you have a unique business concept that if you could just get people to sell it for you, you know it would be a huge hit?

Do you have a great product or service but you're struggling to find commissioned salespeople that will sell it for you?

These are common frustrations that I often hear from small business owners.

I received an email the other day that reminded me of one simple solution that solves the aforementioned problems.

Okay, maybe it's not so simple, but it's definitely one solution that is widely employed but only by a very small subset of businesses.

The Solution to the Problem—Franchising.

What a novel idea.

Franchising is a very effective way to expand your business.

How a Friend of Mine Grew a Consulting Franchise from \$0 to \$8 Million in Less than 10 Months

I witnessed first hand how effective franchising can be when a friend of mine started a consulting franchise from scratch and built it into an \$8 million dollar company in less than 10 months!

And he didn't even have one client!

Can you believe that?

He didn't have one client. He simply took his processes, procedures and business model and franchised it and then sold it to other consultants.

Actually, he "licensed" his system rather than franchising it.

It was amazing to behold. (I was a little jealous :-)

But Why Do So Very Few Business Owners Franchise?

...Probably for several reasons:

1. They think it's too complicated.
2. They fear they'll lose control.
3. They believe it's very expensive.
4. They don't think they have a business that can be franchised.

Or, they probably just didn't know how to go about it so they never pursued it.

All of these fears are unfounded.

They are myths (like my friend proved).

Most any business can be franchised.

The franchisability of a business has more to do with how you run your business than the business you are in.

Here Are Ten Elements that Make Your Business Franchiseable

1. First— You do need a decent business concept. But it doesn't have to be a novel concept. Heck, look at how many hamburger joints are franchised.

2. Second— You should have a good operational system. This means that many of your operations are somewhat systematized.
3. Third— Your business needs to be somewhat simple. By that I mean, you should be able to teach it to someone else in a relatively short amount of time.
4. Fourth— Your business needs to make money. It's no use franchising a business that isn't profitable. If your franchisee can make around a 15% return on their money then you're okay.
5. Fifth— You have to be able to manage a corporation. You no longer will be managing a small business so you'll have to put your franchisor hat on and sharpen your management skills.
6. Sixth— Does your business have a uniqueness to it? This flies in the face of what I told you in the first element, but it does help.
7. Seventh— Your business needs to be able to thrive in any locale. It should not have a regional flavor to it to the point that it wouldn't work in another part of the country.
8. Eighth— The industry your business is in preferably should not be dominated by huge conglomerates. Industries with lots of Mom and Pop shops is a good sign.
9. Ninth— Can the inventory that your business uses be financed? You'll need to create financial leverage so it's best to have assets that can be financed.
10. Tenth— Are you willing to take advice and invest in the proper help you'll need to franchise your business? You might be a great window company but you probably don't know much about franchising so you'll need to invest in professional help.

Conclusion

Franchising is a viable marketing strategy to expand your business. Again, I've seen franchising literally explode businesses in a very short period of time.

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Phone: 631-467-8883

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This site seems to have very good info on franchises, especially retail franchises.

http://retailindustry.about.com/od/seg_franchises/Franchise_Retailing.htm