



# FRANCHISE BUYING GUIDE

WORKING WITH A FRANCHISE CONSULTANT

# THE GUIDE TO BUYING A FRANCHISE

Buying a franchise is a process that takes time. It can sometimes take years to find the right opportunity. FranBiz Consultants has created our Franchise Buying Guide to help you get started in looking at franchise businesses as well as explain the services of the franchise consultant.





## **KEY STEPS**

### **TO FOLLOW IN THE SEARCH PROCESS**

#### **Start with a Self-Assessment**

Ask yourself why you want to buy a franchise. What types of work activities do you like and what kind of lifestyle do you want to pursue? Know yourself and what motivates you. Be sure to include your family in the assessment.

#### **Establish Financial Expectations**

Determine how much money you need and want to earn. Make sure your expectations are in line with the types of businesses you are targeting and the return they can produce.

#### **Create a Personal Financial Statement**

Outline your assets and liabilities. Identify what you can use for your initial investment and working capital. The personal financial statement serves as proof of your financial wherewithal, so be prepared to share this document with your franchise consultant and franchisors.

#### **Update Your Resume**

Franchisors want to be sure that their franchise will continue to be a success. They're looking for someone with the experience necessary to continue their legacy and be successful in the franchise. Ultimately, you're selling yourself to the franchisor and lender.

#### **Outline Your Acquisition Criteria**

Define the parameters of your search. Ideally it should include your targeted industries, geographic area, and transaction size. Your motivation, lifestyle, expectations, financial statement and resume will help you develop your acquisition criteria.

*NOTE: If you are unsure or don't know your targeted industry your FranBiz consultant will work with you to make a good match.*



**THE VALUE**  
OF WORKING WITH FRANBIZ

## Complimentary Consultation Services

Our services are completely free to you. We are paid a finder's fee by the franchisor only if you invest in a franchise. Franchisors pay us to find qualified candidates who are tailor made for their operations. This reduces the franchisor's time and investment in finding these qualified candidates.

## It's About You and Your Family

Yes, we get paid by the franchisor if you invest in a franchise. However, our philosophy is, if you invest in a franchise, great, we get paid. If you do not invest in a franchise that is great too. We want to help take a "WHAT IF?" out of your life. In the future you won't have to ask yourself, "I wonder what if I had looked at a franchise business?" You've already done that, so move on. That gives you peace of mind!! We believe there is value in that!

## The Business Price is the Same for You

By law the price of the business is exactly the same whether you work with a consultant or go directly to the franchisor yourself.

## Saves You Months of Research

Our company has already screened hundreds of franchises. We have narrowed the best ones down. We know what the franchisor requires in a franchisee, so you don't waste your time. Plus we know what you want in a business and can focus your search to companies that are best suited for your requirements.

## Saves You Time and Money

We are able to save you time, money and unnecessary aggravation. We teach you what franchisors are looking for in a candidate, how to investigate a franchise, what questions to ask their franchisees, and much more.

## Guides You Through the Selection Process

Our consultants educate you on franchising, analyze your qualifications so that you don't waste energy on franchises that are not right or that you are not qualified to purchase. We find the best companies for you to investigate and then guide you through the entire process.

## Provides a Network of Resources

We have many resources at our disposal which can further assist you in your research including funding sources, attorneys, accountants, etc.

# THE PROCESS

## STEP-BY-STEP

This is a very involved process, as it should be. You are making a life-altering decision for you and your family. You want to gather facts to base your decision upon. Understand you cannot gather 100% of all the information so accept that as part of the process. You will experience excitement as you investigate this opportunity. There is risk involved and with risk comes fear, this is normal. Talk with your consultant about this, don't just sit on it.

### 1 Contact Us

The first step is deciding to work with a FranBiz Consultant. Your information is kept confidential. If in this process we recommend franchise businesses for you and you accept the referral this information will be shared with the franchises, because they need it to know you are a qualified candidate.

### 2 Arrange Your Financing

We can introduce you to lenders with various financing options. Do this early to avoid delays later.

### 3 Online Assessment

We have you complete an on-line assessment. This assessment identifies values, personality profile, personal assets and liabilities. The assessment has been benchmarked to top performers in various franchises and franchise industries.

### 4 Franchise Candidate Profile

You will also be sent the multi-page franchise candidate profile. This asks about your employment/professional experience, your strengths, weaknesses, etc. Your financial information will also be requested, as this is a necessary part of finding a franchise for you.

### 5 Interview

We schedule an interview with you & your spouse (if applicable) to discuss your business, financial, lifestyle and personal goals. Part of this is also assessing your risk tolerance.

*NOTE: Steps 3-5 may vary in sequence depending on the situation.*

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## Research

Next, we research franchises that could be a fit for you using the information you provided to determine the best franchises for you to explore. Our goal is to identify 2-3 franchises that will be potential matches for you.

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## Presentation

We present two or three franchises that are a fit for you based upon the information gathered in steps 3-5. We will provide an overview of the franchises including the all-in dollar investment, operating model, and the owner's duties in the business.

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## Franchisor Introduction

For each of the opportunities that have been presented to you, we will introduce you to the franchisor. The franchisor will schedule a phone call and send materials to help you become acquainted with their business concept. They will also send the Franchise Disclosure Document (FDD), which is a disclosure document for their franchise opportunity.

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## Franchise Disclosure Document (FDD)

We will give an overview of what the FDD is. You should review the FDD in complete detail writing down any questions or concerns for discussion with the franchisor.

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## Call Franchises

The FDD contains a list of the franchisees with their contact information. The franchisors normally provide you a list of several franchisees for you to call and ask questions about the operation of the franchise, financial performance, what it takes to succeed, etc. Then you need to determine if you are willing to do the same things that they did to be successful. You can contact any franchisees that you would like.

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## Consult with Your Attorney & Accountant

You should always consult with an attorney and an accountant before making a decision. The attorney should be a franchise attorney as they understand the FDD and franchise agreement. We also recommend having an accountant review the financial statements in the FDD. You may also want the accountant to help you develop a pro forma. We can provide the names and contact information for these resources.

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## Attend a Discovery Day

Most franchisors have a Discovery Day where they will invite you to their location or they may do it virtually. You will not only get crucial information for your decision but will get to meet the staff and management that will be providing your initial training and continuing support.

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## Decision Time

You have taken all of the steps up to the door, and now it's time to open or close the door. Congratulations you have made a decision. If you have decided to invest in a franchise you have become a "Frantrepreneur," a cross between a traditional entrepreneur and a modern franchise owner. A person that possesses the desire to be a business owner but does not want to recreate the wheel.

# **YOUR SUCCESS** **IS OUR SUCCESS**

FranBiz Consultants work to take the mystery and confusion out of researching and becoming educated about franchises. That's because we possess the depth of knowledge, experience and key business relationships required to give you discreet, full-service, investment banking-level professionalism through every step of the transaction.



**CONTACT US**  
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