

Questions to Ask Franchisees

These questions are just suggestions. Add whatever other questions you wish. Do not expect franchisees to return calls. Remember you are a stranger asking a favor, so ask when you may call them. Use a warm, conversational tone, but follow the outline of the questions. Write down the names of the franchisees, their telephone numbers and the date of the call. Take careful notes. At the end of each interview, be sure to thank the franchisee for his/her help.

1. How long have you been in business?
2. What were you doing previously?
3. What made you choose this franchise?
4. How has it been going for you?
5. How would you rate your relationship with the franchisor?
6. How would you rate your initial training?
7. How would you rate the ongoing support?
8. How would you rate the marketing programs?
9. Are you aware of any franchisees that are unhappy in this business? Do you know why?
10. How difficult is it to find, train and retain employees?
11. How do you compensate them?
 - a. Benefits?
 - b. Paid time off?
12. Would you mind sharing with me what you expect your annual revenue to be for the year? How does that breakdown among the various products/services?
13. Can you tell me roughly what percent of that will drop to your bottom line?
14. Approximately how much per year do you spend for:
 - a. Advertising and Marketing
 - b. Uniforms
 - c. Insurance
 - d. Supplies
 - e. Rent/Utilities or Other
15. What is your cost of goods sold as a percent of sales?
16. How much could I reasonably expect to gross/net in the first year, second year, and third year?
17. What do you like best and least about this business?
18. If you had it to do over again, would you buy this franchise?
19. Is this a truly semi-absentee business? (If the Franchisor indicates this model could be semi-absentee)