

Franchise Selection DO's and DON'Ts

Here are a few practical hints to help you select a franchise:

DO

- ✓ 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.
- ✓ Validate with the franchisees if the franchisor indicates that their model could be semi-absentee.
- ✓ Understand the differences between a young brand and a more mature brand.
- ✓ The more RESEARCH, RESEARCH, RESEARCH, you know, the better your decision is likely to be.

DON'T

- ✗ 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.