

FRANCHISE INFORMATION SOURCES

There are many good sources of information about franchise opportunities. For most people, the process that makes the most sense is to first make sure you understand the business model of franchising. After you're clear on what franchising is all about, then you can try to identify industry segments that may be of interest to you. Finally, you can research individual companies to see which ones match best with what you are looking for in a franchised business opportunity. There are also many good reference works and periodicals you can use to understand franchising in general and business format franchising specifically. The best sources to rapidly access this information at a very reasonable cost are:

- A good bookstore
- The public library
- Internet web sites

The best way to scan industry segments to find ones that potentially have interest for you is to refer to lists compiled and organized by others. These lists usually contain information on many companies segmented by industry. One of the best organized is the Entrepreneur 500 (January issue each year). Spend some time looking at the investment level requirements and thinking about what the pros and cons of that particular industry might be. Make a list of the ones that you are qualified to pursue financially.

The final step is to research individual franchise companies. You will find that your best and easiest source of information is the franchise itself. Most franchise companies are set up to deliver the information you need to evaluate the opportunity. Make sure to carefully consider all the following sources:

- The initial package. Most franchisors have brochures, videos and websites that will give you a good overview of the opportunity.



- The FDD. The standard disclosure document that all franchise companies have will provide you with information about the company history, the background of all key executives, costs and fees, obligations of the parties, litigation experience, success rate information, audited financial statements, earning's claims (optional), and a list of existing franchisees for you to contact.
- Existing franchisee calls. You should contact a number of the existing franchisees for any system you are interested in. You want to ask them about the training programs, the initial and ongoing support they have received, the effectiveness of the marketing programs they use, what purchasing power benefits they receive, and what the relationship with the franchisor is like. You will also want to confirm both the investment information and the earnings potential of the business during these calls.
- Meeting the franchisor. As a final step before selecting a franchise, it is always a good idea to personally meet the franchise staff you will be working directly with. Make sure you feel comfortable with their professional competence and with your ability to work with them in building a business together.

Once you have gathered all the information you need, make a decision and move on. Remember, don't compromise on your goals. When you find a franchise that's right for you, you'll know it.

