



92+ QUESTIONS TO ASK BEFORE YOU INVEST IN A FRANCHISE

BY JOHN P. HAYES, PH.D.

JOHN@HAYESWORLDWIDE.COM

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1. What is franchising?
2. Why does it work?
3. Why doesn't it work?
4. Who do I know who is a franchisee?
5. What makes me think franchising will work for me?
6. How much money can I comfortably invest in a franchise?
7. If I had to borrow money to invest in a franchise, where would I borrow it?
8. Do I like following a system?
9. Would I really prefer to create my own system rather than follow another system?
10. Am I a good manager?
11. How long could I survive without a paycheck?
12. Would my family support me becoming a franchisee?
13. Would investors support me as a franchisee?
14. Do I like to sell?
15. Do I like to market?
16. Do I like people, including fussy customers?
17. Would I like to employ people?
18. What kinds of businesses will last for 25 or more years?
19. What products would I like to sell, or what services would I like to represent?
20. If I were a business person, what could I do better than someone else?
21. What scares me about becoming a franchisee?
22. Who could I consult with about becoming a franchisee?
23. What is a Franchise Disclosure Document?
24. What is a Franchise Agreement?
25. What is a franchise fee?
26. What does the franchise fee cover?
27. What is a royalty? How and when is it paid?
28. If I want out, can I get out? Can I sell the franchise?
29. Are there any guarantees? If so, what are they?
30. Have I looked at the Franchise Opportunities Guide, or another source, to find franchises that might interest me?
31. Have I read about franchising? Call the International Franchise Association (202-628-8000) for books, recordings, etc.
32. Have I met with a franchise attorney? Not a business attorney, a franchise attorney?
33. Have I met with an accountant who understands franchising?
34. In my personal make-up, what's missing to become a successful franchisee?
35. In my financial situation, what's missing to become a successful franchisee?

AFTER YOU NARROW DOWN YOUR SELECTION TO A HALF DOZEN FRANCHISE OPPORTUNITIES

36. What do these franchises have in common that attracts me?
37. What's missing in any one of these franchise opportunities?
38. Why would I invest in these franchises as opposed to starting a similar business myself?
39. Can I narrow down these opportunities to one to three?
40. What does the President of the franchise opportunity say about the future of the company? Do I agree with what he/she says?
41. How much training do I get when I invest in the franchise? Do I think I'll need more training? And if so, where would I get it?
42. How good is the training the franchisor provides? Who conducts the training classes? Where is the training conducted? Does it cost me more money?
43. Once I become a franchisee, who will I communicate with at the franchisor headquarters? Be sure to meet with this person. Do I like this person? Could I work with this person?
44. After I become a franchisee, what kind of support do I get? Will it cost me more money? How is support provided? By phone? In person? By Internet?
45. If I have a question while a customer is standing in front of me, how difficult
46. will it be to get my question answered by the franchisor?
47. Do I get an Operations Manual? How good is it? How often is it updated? Are the updates available on-line?
48. How good are the company's products?
49. How good are the company's services?
50. Where is the company headed in the next five to ten years? Do I want to go there?
51. How confident do I feel about the

- leadership of the franchise company?
52. How confident do I feel about the training and support staff of the franchise company?
53. What do customers say about the quality of the company's products and services?
54. What do the media say about the franchise company? Forget the ratings.
55. What articles have been written about the company? Were the articles written by someone at the company, or a journalist?
56. Who's responsible for advertising and promoting the company's products and services?
57. Is there a national advertising fund? If so, how much will I need to contribute?
58. How is that money used?
59. If I need a location to operate the business, do I have to select it myself? If so, do I know how to do that? What help will the franchisor provide? Will this cost me more money?
60. If I need to purchase products from the company, how fast will my orders be fulfilled? How will they be fulfilled?
61. If I need to purchase products from the company, could I purchase the same products for less money elsewhere?
62. Do I have the right background to become a franchisee with this company?
63. Can I see myself operating this business for the next 10 to 30 years?
64. Am I allowed to be an absentee owner?

QUESTIONS TO ASK EXISTING FRANCHISEES

65. Would you buy the same franchise again?
66. Can you trust the franchisor?
67. What's the franchisor's greatest strength?
68. Greatest weakness?
69. How good is the training?
70. How helpful is the Operations Manual?
71. Do you get answers when you need them?
72. Have you renewed your franchise agreement, or do you plan to?

73. Knowing what you know, how much money can I expect to make my first year as a franchisee? The third year? The fifth year?
74. What's the secret to your success?
75. How much money do you spend to advertise and promote the business?
76. What do you think about the quality of the products/services?
77. Do you think the public respects the franchise brand?
78. Is the ongoing support valuable?
79. Do you attend the franchisor's regional and annual meetings? Why or why not?
80. I'd like to tell you about myself . . . and then would you tell me if you think my background, interests and personality are a match for the franchise company?
81. What's the best way to make money with this business?
82. Do you find the business as satisfying today as you did when you first got started?
83. How long do your customers continue buying from your business?
84. Is it hard to find and keep employees?
85. What will be the biggest challenge I face as a franchisee?
86. Is your territory large enough? Too large?
87. What keeps the franchisor from competing with you?

QUESTIONS TO ASK THE FRANCHISE COMPANY'S SUPPLIERS

88. Does the company pay its bills on time?
89. Do you feel you can trust the franchise company?
90. Are you a customer of the company? Why or why not?

QUESTIONS TO ASK THE COMPANY'S FORMER FRANCHISEES

91. Why are you no longer a franchisee?
92. While you were a franchisee, what would you say were the company's strengths?

93. Weaknesses?

94. Did you feel you could trust the people who work for the franchise company?

95. Did the company treat you fairly or unfairly?

QUESTIONS TO ASK YOUR ADVISORS

96. Can I afford this company?

97. Is the franchise agreement fair?

These are by no means all of the questions that you need to ask before you invest in a franchise. This list gives you a good start. This report in no way offers business advice. Investing in a franchise is a serious matter. Consult with a franchise attorney, an accountant, and other professionals before you make your decision.