

STEP BY STEP

# Step

Investing in a franchise is an important decision that requires in-depth research and reliable information. While it's not always easy to evaluate newer franchise opportunities, there are ways to get the information you need to make an educated decision on whether to move forward. Usually, the most valuable thing an entrepreneur can do is interview and visit franchisees. In the case of newer franchise opportunities, this may not be possible because there aren't many franchisees to talk to or they may not have enough experience to provide valuable information. In this case, it's important to spend productive time with the founder of the franchise.

When gathering research, be sure to determine how the founder went about franchising the business. There are two main ways to do it. Founders can hire a franchise attorney to draw up the legal documents required to turn an independent business into a franchise, or they can hire a franchise development firm to turn an independent business into a franchise. This firm can help write the operating manual, set up and create marketing and sales programs and establish a franchisee training program. Keep in mind, if the franchisor only invested in the legal part of franchising a business, it may not be enough to ensure long-term success.

Follow these steps to successfully evaluate a new franchise opportunity. 

SOURCE: U.S. Small Business Administration

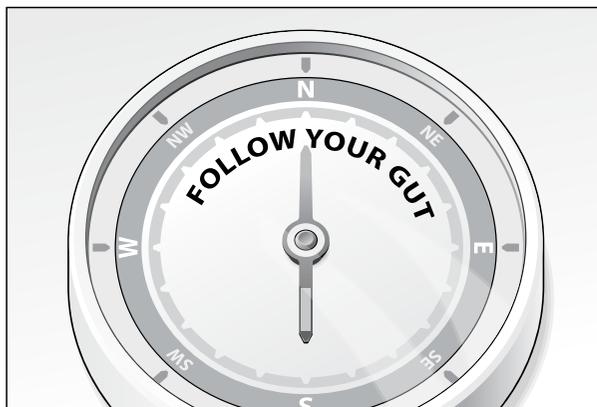


## ← STEP 1

Arrange an in-depth call with the franchise founder to get a feel for how well thought out the idea is, if it's been tested and if it's proven to work.

## → STEP 2

Arrange a two- or three-day trip to the franchise headquarters for one-on-one time with the founder and the staff. Come prepared with thoughtful questions and use the opportunity to see the team in action.



## ← STEP 3

Trust your gut. After determining a franchise concept's financial viability, the decision to buy in ultimately comes down to trust and feel. Do you trust the founder and the leadership team members? Does the opportunity feel right?