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How to choose a franchise system

First and foremost don't rush into parting with money. Golden Rule: "don't part with a penny until you have taken a draft franchise agreement to a qualified lawyer for evaluation."

- Ask yourself a number of questions
- Ask the franchisor a lot of questions

STEP ONE

Keep an open mind - you may be surprised at the types of business that are franchised. Browse www.franchiseadvice.com for the most comprehensive list available.

STEP TWO

Narrow the choice by comparing the qualities required by franchisors with your skills and personality and investment capabilities. (If you feel a particular business may be right for you, but you lack skills - check the training included in the franchise package and within franchise support) Always check the training provided.

STEP THREE

Request a full prospectus from those opportunities that appeal the most. The history and structure of the franchise should be clear. Costs should be outlined. The quality of the presentation of the prospectus will tell you a lot about the franchisor.

STEP FOUR

- Write down questions to ask the franchisor that arise from the prospectus.
- Have a list of questions ready when you speak to a franchisor on the telephone or face to face.

Written questions achieve two objectives: -

- You feel confident that you are asking the required questions
- The franchisor will respect your professionalism.

(A franchisor will not be 'selling' franchises but awarding licenses to those with whom they feel they can form a long term partnership.)

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STEP FIVE

Assess the franchise thoroughly by consulting a range of sources of guidance including:

- Bankers
- Lawyers
- Accountants
- Franchise Advice Centres
- Magazines
- The British Franchise Association
- Local enterprise companies
- Business Shops (Scotland)
- Business Links/Small Business Service (England)
- Business Connect (Wales)

The franchisor should provide you with the following information to take to the advisors listed above.

- A clear indication of their franchise award process.
- Sample financial protections
- A draft franchise agreement
- A training and induction schedule

Many franchises provide a 'franchise award manual' containing all the above information. You will be required to sign a confidentiality agreement before this 'franchise award manual' is issued. The issue of an award manual is a clear indication that the franchisor is awarding a franchise through a thorough consideration of the partnership involved and is interested in long term success not the immediate cash injection from the sale of franchise licenses.

STEP SIX

'Decision time' "Are you excited about the business?" - if you're not enthusiastic about the possibilities about to unfold before you, should you be thinking about this business? Starting up in business is always very hard work. You will need an inner drive to succeed.

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