



# *Franchise Whitepaper*

## *"An Introduction to becoming a Franchise Owner"*

- **What is Franchising?**
- **Is Franchising right for you?**
- **How do I find the Best Franchise?**

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## What is Franchising?

In layman's terms, franchises offer independent business owners the ability to start their own business using a system developed by the company in exchange for franchise fees paid up front and royalty fees paid over time.

A franchise agreement will include rights to use of all proprietary marks, logos, systems, services and products. Ideally, they have proven over time that their system works in different locations by different types of people. This is not always the case though just because they are legally a franchise does not mean they are a good one. We'll get more into that later.

Why pay franchise fees and royalties when you could just do it yourself? This is a great question that I get often. The reality is most of us (myself included) have the motivation and ability to be successful business owners but we lack the knowledge, product or service, and fearlessness to start it from scratch. That entrepreneur is truly a unique individual. They have a new idea or better mousetrap and they struggle to get it to market. 1 out of 10, maybe 1 out of 100, really have success. Most go out of business within a year. That particular truth is why most of us are afraid to, or maybe just aren't willing to, sacrifice our savings and our time without stronger odds of success.

Franchises help close that "fear" gap and certainly increase the odds of success. They provide us the product or service so we don't need to invent one. They provide the systems to market and deliver the product or service. They help you find good locations and teach you how to hire the right help. They mitigate many of the risks associated with starting a business.

How much is all that worth? Well, it better be worth significantly more than they are charging you in royalties and fees! Seriously the evaluation of the systems, training and on-going support versus what you are required to pay them must be a key part of your research. That is a major reason why you want to work with a professional franchise advisor to find the right franchise for you.

## Is Franchising Right for You?

Now that you have a basic idea of what franchising is, how do you know if it is right for you?

Almost everyone I speak to starts the initial conversation with some version of “I always wanted to own my own business.” That is the fleeting thought that sticks with them through their first job and every job thereafter. It’s part of the American Dream, right? We all think about it. Who wouldn’t want to have total freedom to come and go as they please and be known as the owner or boss?

It is no surprise that most people want to get into franchising for freedom and control. For some it’s money but most are tired of reporting to someone else and being tethered to a job. The draw is the freedom, flexibility and control of their time. It certainly was for me.

The next question that usually comes up is “How do you know if you are going to be a successful franchise owner?” Ok...can you handle the truth? The truth is you don’t know and unfortunately, I cannot tell you. Many people will stop right here after reading that but if you are curious about how to improve your odds, keep reading.

Yes. There is risk involved. You will have to commit time, and more importantly to most people, commit money. What if you lose everything? That is a possibility and one that stops many people from even considering a business. Let’s talk about how to minimize that risk.

I believe that anyone who is motivated can be a successful franchise owner if they are placed into the right franchise for him or her. Problems arise when they join the a bad franchise or even just a franchise that is not congruent with their individual needs and skills. The franchise discovery process should be just as much about you as it is about the franchise. You must find more than a great franchise. Finding the right franchise FOR YOU is your goal.

## **How do I Find the Best Franchise?**

Sorry to be cliché' but you can do it the hard way or the easy way. You can go online and find tons of information about franchises and franchising. The key is not to just look for the most well-known franchises. You want to look for is the best franchise FOR YOU. That increases your odds of success significantly but it also increases the complexity of your search.

The good news is there is a huge amount of information on the Internet for you to discover and sift through. The bad news is that massive amount of information is overwhelming and confusing. How do you even know what to look for to find the best franchises FOR YOU? If you haven't guessed, even though it sounds easy, this is the hard way.

So right about now I am guessing you are asking, "Ok John, what is the easy way?"

I am glad you asked!

The answer is you find a trusted mentor experience in franchising to guide you through the clutter and help you focus on the most relevant brands best suited to take advantage of your lifestyle needs and your skill sets.

Your goal should be to become the CEO of your life!

You will be attracted to claims of great returns and financial rewards. But as the saying goes, the devil is in the details. The available information online is often inaccurate or outright misleading.

One example is misleading investment claims. Many franchises, including many well-known ones, advertise only their liquid cash requirements online. People think I can come up with \$100,000. Then they waste a lot of time working on it only to discover it really takes \$300,000 to get open and grow profitable.

How about this example of a bad fit? Say your goal is to have more time with your kids and your family but ultimately you find out that success with that particular amazing brand requires 70 hours a week.

Or you have a job that you cannot leave and want to start a business on the side. You do not want to end up in a franchise that expects you to work 8am to 8pm daily!

Another example is if you were to fall in love with a great franchise opportunity that is 9-5 but you really need to be free after 2pm daily for your kids!

You also do not want to get into a franchise that has a great long term return on investment but doesn't expect to pay out anything for the first 18 months if you need to make money quickly.

I can keep going. These are just a few examples of how a great franchise may not be great for YOU...and that you will not see all the relevant information on the franchise website or in their marketing material. You will spend hours identifying them and researching them to find out later it is a bad fit.

How do you cut through the clutter? Of course, you can read my book or set up a call with me! Yes, I am applying for the job to be your mentor but the more important message to you should be to find SOMEONE to guide you. I am thorough, patient, low pressure and most of all, fun. The process of determining if a future as a business owner is for you should not be stressful or painful.

If you just want someone to show you a bunch of franchises or to sell you one, I am probably not for you. I just don't believe that I can really help you if I don't really know you. But, if you really want to discover whether or not you are cut out to be a business owner, and if you really want to see if franchising is the right vehicle for you, please schedule a call with me. There is no cost or obligation. The worst thing that will happen is you'll learn a bit about franchising, and probably something about yourself. Call or Text message me directly at 918 962 0506