



Introduction to Sales Based Franchising



A BIT ABOUT US.....

- Franchise.city is a full serve franchise brokerage firm working under contract with over 500 of the Nations top franchise brands. We specialize in Sales Based Franchising, International Franchising, E-2 Visa procurement through Franchise investment and General Consulting.
- We help connect top performing franchise brands with the most suited prospective franchise owners.
- We provide valuable free resources to help identify, research and invest in your ideal franchise.
- The vast majority of franchise companies we work with are award winning, high success brands with long histories of overachievement. By matching quality franchise opportunities with exceptional, well suited candidates both franchise and franchisee/owners share in mutual success.
- There are no fees for you, our candidates as we are compensated by way of a referral fee from the franchise companies. Your franchise will not cost more using our service.

What is Franchising?

- Franchising is a type of license that the franchisee acquires that provides access to a the franchisors proprietary knowledge, processes and trademarks.
- Franchising is a business strategy for getting and keeping customers. It is a marketing system for creating an image in the minds of current and future customers showing how the company's products and services can help them. It is a method for distributing products and services that satisfy customer needs.

Franchising is a network of interdependent business relationships that allows a number of people to share:

- A brand identification
- A successful method of doing business
- A proven marketing and distribution system

In short, franchising is a strategic alliance between groups of people who have specific relationships and responsibilities with a common goal to dominate markets, i.e., to get and keep more customers than their competitors.



What is Sales Based Franchising?

- Today franchising is no longer just about food services. In fact there are successful franchise concepts in a myriad of vertical markets including Consulting, Telecom, Senior Care, Fitness, Services, Sales Training and many more.
- All of these successful franchises have **direct sales** as the cornerstone of their business model. They have identified their ideal franchisee as someone who excels at sales. Because franchisors earn money from ongoing royalties, it is in their best interest to recruit the highest caliber candidate possible. To this end the FRAN5 group identifies, recruits, and ultimately connects top sales people with top Sales Based Franchises.
- By investing in a franchise new owners step into an existing operational model that includes both corporate and peer support systems. This empowers new business owners to be able to focus on **building** the business instead of inventing it from the ground up. This benefit is particularly relevant for sales executives who prefer to focus on selling and/or training and managing their sales teams.

Advantages of Owning a Franchise



Advantages

- Owning a franchise allows you to go into business for yourself but not by yourself.
- A franchise provides an established product or service which has brand recognition.
- A franchise provides a proven successful business model
- A franchise can offer the consumer an assurance of a certain level of quality and consistency
- A franchise can offer valuable start-up support including site selection, construction and design, owner and staff training, logo and marketing materials and a proven grand-opening program.
- A franchise can offer ongoing support including general business mentoring, national and regional advertising, bulk buying power and market research and development.

Advantages of a Sales Based Franchise



Advantages

- Most Sales Based Franchises have a lower investment amount than traditional franchises (Most under \$100k)
- Sales Based Franchises can provide better ROI than many brick and mortar franchises. Many millionaires have been made through Sales Based Franchising.
- Sales Based Franchises are often portable, and can operated from a home or small office.
- Sales Based Franchises usually have no receivables, low cost of operation and a sales friendly business model
- Sales Based Franchises provide the support most sales pros need exactly where they need it – operations.
- Sales Based Franchises allow a sales pro to be their own boss with the support of an established National Brand

Reasons to Buy a Franchise

Turnkey Business

There are many entrepreneurs that have exactly what it takes to run a successful business however don't have what it takes to get their business up and running. Whether it be financing, negotiating lease terms or even just the confidence it takes to quit their job and start their own business, franchising can make the transition easier.

Buying a franchise can eliminate much of the initial hard work:

- Branding
- Supplier Sourcing
- Sales & Marketing
- Operational Processes
- Business Strategy

System in Place

- When you buy a franchise you buy a system. All franchises have an already-established system in place that franchisees follow.
- These systems are designed to improve the overall productivity and increase sales of each franchise.
- Having a proven system already in place eliminates the guesswork and errors a start up business owner would face.



Reasons to Buy a Franchise cont'd.

Higher Likelihood of Success (With the right franchise brand A poorly chosen franchise fails at the same levels or higher than a startup)

- Buying a franchise is very different from starting a mom-and-pop business.
- Since there is an already established system in place, and multiple operational locations there is a higher likelihood of success.
- If you follow the system the franchisor has put in place you will be working towards running a successful business.

Corporate Image and Brand Awareness

- By buying into a Nationally recognized franchise system your corporate image and brand awareness is already in place.
- Customers are usually more comfortable purchasing items they are familiar with and working with companies they already know and trust.

Easier to Obtain Financing

- Lenders are generally more comfortable financing the purchase of a franchise because they already have a proven track record.
- Bankers usually look at successful franchise chains as having a lower risk of repayment default and are more likely to loan money based on that premise.
- Some franchise systems even provide in-house financing and/or leasing options.



Reasons to Buy a Franchise cont'd

Training

- Most franchise companies offer a 1-4 week training program that is usually held at their corporate offices or at an actual franchise location.
- This is what makes franchises stand out from every other business or business opportunity.
- The franchisor will train you to run your franchise exactly the same way their other successful franchise locations are run.
- This will ensure that you are running your business efficiently and will help to eliminate any common mistakes a new business owner usually faces.

Ongoing Support

- When you buy a franchise you are provided ongoing support from your Franchisor.
- You should always be able to pick up the phone and ask questions of the franchisor or even call other franchisees when appropriate.

Marketing

- There should be a refined client acquisition and marketing program in place.
- Most brands will have a National advertising campaign into which all franchisees contribute. Often they will also provide a local marketing outline for you to follow and specific vendors that will provide effective advertising venues.



Reasons to Buy a Franchise Cont'd

Exclusive Territory

- When you buy a franchise you are also usually buying an exclusive territory in which to do business.
- Franchisors will generally only allow a certain amount of franchises to be open within a specific geographical region.
- You will be entitled to a certain area and no other franchises (within your franchise system) can be open within that area.

Own Multiple Locations

- Being a part of a franchise will often provide opportunities to grow within the system.
- Once you have become a successful unit franchise owner the next logical step is to become a multi-unit franchise owner. After you have one successful franchise open with a great management team in place you can focus time on opening a second location.
- Multi-unit franchise owners manage more than one location and are often able to double their income by taking on more than one location.
- Owning multiple franchise locations can be very lucrative.



Franchise Categories. (Many are Sales Based)

Contact your Broker to Discuss which Franchises are Available in Your Area

- Accounting/Tax Services
- Advertising/Direct Mail
- Auto & Truck Rentals
- Automotive Prod. & Svcs.
- Batteries-Retail & Comm.
- Beverages: Special
- Business Consultants
- Business/Mgmt. Consultants
- Campgrounds
- Check Cashing/Fin'l Svcs.
- Children's Services
- Clothing and Shoes
- Computer/Electronics/Internet
- Construction Mat'ls & Svcs.
- Consumer Buying Svcs
- Convenience Stores
- Cosmetics
- Dating Services
- Drug Stores
- Educational Prod & Svcs.
- Employment Svcs.
- Pest Control Services
- Pet Sales/Supplies & Svcs.
- Photography
- Printing/Copying Svcs.
- Real Estate Services
- Recreations Svcs.
- Rental Eq't & Supplies
- Retail Stores
- Security Systems
- Senior Care
- Sign Products & Services
- Tanning Centers
- Telecommunication Svcs
- Transportation Services
- Travel Agents
- Vitamin & Mineral Stores
- Weight Control
- Fitness
- Florist Shops
- Food/Restaurants
- Golf Eq't, Prod & Svcs
- Greeting Cards
- Hair Salons & Services
- Health Aids & Services
- Home Furnishings
- Home Inspection
- Hotels and Motels
- Insurance
- Janitorial Services
- Jewelry
- Laundry & Dry Cleaning
- Lawn/Garden/Agriculture
- Maid & Personal Services
- Maintenance
- Marine Services
- Optical Aids & Services
- Packaging/Ship/Mail Svcs.
- Painting Services
- Paralegal Services
- Payroll Services



Parts of the Franchise Disclosure Document

By law every franchise must provide you with an FDD, or Franchise Disclosure Document.
Understanding the FDD will help you be a better informed investor,

1. Description of the franchisor, predecessors and affiliates
 2. Identity and business experience of officers and directors
 3. Litigation history
 4. Bankruptcy history
 5. Initial franchise fee
 6. Additional costs and fees
 7. Initial investment
 8. Restrictions on sources of products & services
 9. Franchisee's Obligations
 10. Financing arrangements for franchisees
 11. Franchisor's obligations
 12. Territorial protection
 13. Trademarks, service marks and trade names
 14. Patents, copyrights & proprietary information
 15. Franchisee requirement to operate the business
 16. Restrictions on sale of goods and services
 17. Renewal, termination, transfer and dispute resolution of the franchise
 18. Endorsements by public figures
 19. Earnings claims
 20. Names, addresses, and telephone numbers of current and former franchisees
 21. Financial statements
 22. Contracts and agreements
 23. Receipt
- Exhibits
- A. Franchise Agreement
 - B. Equipment Lease
 - C. Premise Lease
 - D. Loan Agreement
 - E. others



17 Steps. From Prospect to Franchise Owner

Our process makes franchise ownership efficient and painless. Our service takes the guesswork out of franchise selection .

1. Contact your Broker
2. Analyze Goals/Skills/Preferred Business segments
3. Explore Franchises & Identify "Best Fits"
4. Have Broker "Shop" your resume
5. Respond to Franchises of Interest
6. Obtain Franchise Packet & FDD from Franchisors
7. Return Receipt of FDD
8. Interview with Franchisor
9. Speak to Existing Franchisees/Owners (Validation)
10. Second Interview with Franchise
11. Consult with Attorney & Accountant
12. Visit Franchise Headquarters
13. Enter Into Franchise Agreement
14. Obtain Real Estate (if applicable)
15. Franchise Initial Training
- 16. Open For Business!**
17. On-Going Support

These steps may vary slightly depending on the Franchises you decide to engage.



Next Steps

Speak With Us!



Jerry Rieder



Jeff Lutz



Joe Fedorchuk



Pam Currie



Rob Edwards



Sandra Jimmerskog

Franchise.city consultants can assist you in identifying, researching And investing in your ideal franchise

Our consultants are not only experienced franchise experts, but also successful business owners themselves. You can rely on real world input and guidance throughout the process

Learn more about us at <http://www.Franchise.city> or contact us today at 1-800-432-1583

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