



THE FRANCHISE KING'S FREE FRANCHISE BUYING CHECKLIST

12 THINGS YOU NEED TO DO BEFORE YOU BUY
A FRANCHISE BUSINESS

Franchise

WRITTEN BY JOEL LIBAVA



Here's a checklist for you to use that will guide you, step-by-step through the franchise buying process.

Use it, so you'll feel better organized and more in control of the franchise buying process.

IMPORTANT

Do these items in order!



1

PUT TOGETHER A NET WORTH STATEMENT

Determining your financial situation is the starting point in your quest to be your own boss through franchise ownership. You do that by putting together a net worth statement.

In a nutshell, a net worth statement is a list of your assets and liabilities. The difference between the two is your net worth.

And if you've never done a net worth statement before, it's easy.



Use my free net worth calculator

Then once you have your net worth calculated, you need to come up with an investment amount you're comfortable with for a franchise...and stick with it!



2

DETERMINE IF YOU'RE RIGHT FOR A FRANCHISE TYPE OF BUSINESS.

I'll explain.

It's important to know that franchising isn't for everybody. Why?

Because it's a rigid business model built for rule-followers.

Translation: if you like to do things your own way, as opposed to following a proven business system, franchise ownership may not be right for you.

That said, if you'd like to make sure franchising is right for you, I encourage you to take my Free Franchise Compatibility Quiz. It will only take you 10 minutes to complete.



[CLICK TO TAKE THE QUIZ](#)

FACT

Almost 7,000 potential franchise buyers have used my free quiz tool to see if it makes sense to own and operate a franchise business. Plus, I personally grade every quiz.

3

COME UP WITH A LIST OF YOUR TOP SKILLS

For instance, are you a great manager of people? A strong salesperson? A financial whiz?

In other words, what are you really good at? Write it down.

Next, put together a list of your unique personal traits.

For instance, are you introverted? Extroverted? Decisive? High-minded? Intuitive? Organized? Write these things down too. And save the lists.



4

CHOOSE FRANCHISE SECTORS TO EXPLORE.

Based on the lists you came up with in #3, start thinking about the sectors in franchising where you can best utilize the top skills and personal traits you possess.

For example, if you're a great manager, and you're organized, the food or retail sectors of franchising would be good places to start.

Similarly, if you're extroverted and have excellent sales skills, the business-to-business (B2B) franchise sector is where you need to start your search.



5

CHOOSE WHERE YOU'LL SEARCH FOR FRANCHISES.

Almost everything happens on the internet these days.

With that in mind, you need to decide which franchise portals you're going to spend time on searching for franchise business opportunities.

 *[Start with these top 10 franchise portals](#)*

Next, pick a couple of the portals I reviewed for you in my article, and start searching for franchises in the specific sectors of franchising you chose.

Finally, choose a few individual franchise opportunities you like in the sectors you're exploring. *But make sure you're only looking at franchise opportunities that fit within your budget.*



6

START INVESTIGATING THOSE FRANCHISE OPPORTUNITIES.

It's time to make some choices.

But don't worry. The franchises you choose to look into may or may not make it to the finals. You can repeat this part of the process until you find the right franchises for you.

That said, as long as you feel the franchises you want to learn more about have the potential to be a fit for you-based on everything we've talked about so far...including budget, go for it. Request information from a few of them!



7

LEARN ABOUT THE FRANCHISES YOU'RE INTERESTED IN.

It's time to do your franchise research.

Begin by consuming all the information each franchise sales representative provides. Expect to receive specific information about the franchise business opportunities once or twice a week for 3-4 weeks.

That's because in most cases, you'll have a scheduled call with your representative every week. Basically, you'll be learning something different about each franchise business opportunity at every turn.

But don't make the mistake of moving on to another franchise opportunity too soon in the process.

Stick with the process unless you're almost 100% sure that a specific franchise business isn't right for you.



GET THE FRANCHISE DISCLOSURE DOCUMENT (FDD).

In most cases you won't need to request this all-important document.

Generally speaking, you should have it in your hands within the first two weeks or so of contact with your franchise representative.



Once you receive the FDD, grab a highlighter, read it, and highlight the things you have questions about.

NOTE

FDD's are notoriously boring to read. But do it anyway, as it's a deep dive into the franchise business and the company itself.

Finally, one of the calls you have with your representative will be an "FDD" call. That's when you'll be able to get your questions about the FDD answered. So ask your questions.



CONTACT EXISTING FRANCHISE OWNERS (FRANCHISEES).

This is where the rubber hits the road. It's the most important part of your franchise research. Now here comes the good part.

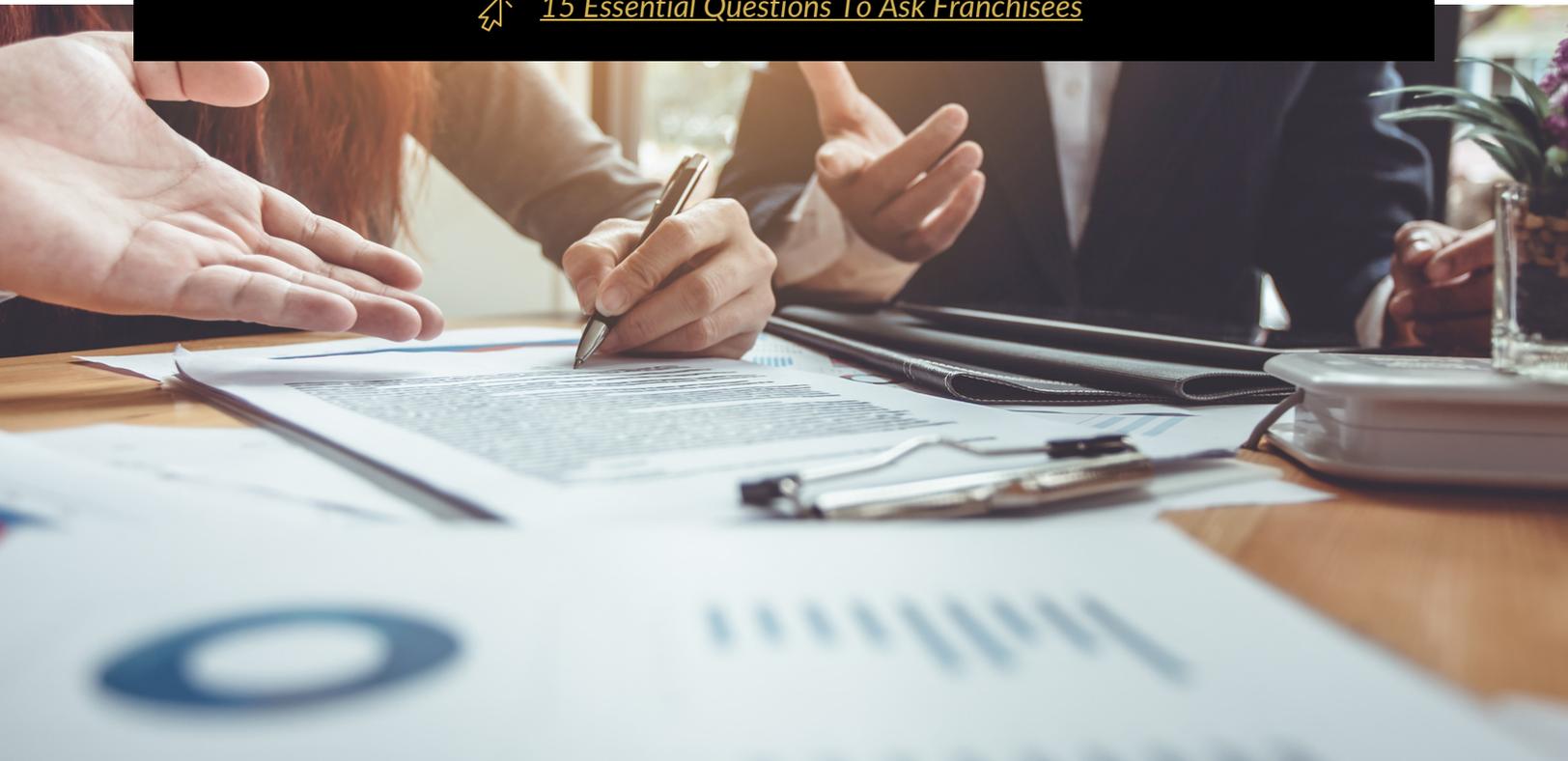
The names and phone numbers of every franchisee currently in business (at the time the FDD was printed) is included in the Franchise Disclosure Document you possess. All you need to do is call* them.

**In most cases, an email address will also be included, so you can email the franchisees you want to talk with first. Doing so makes it easier to schedule a convenient time to talk on the phone.*

But what should you ask the franchisees?



[15 Essential Questions To Ask Franchisees](#)



DISCUSS YOUR FINDINGS WITH YOUR REPRESENTATIVE.

When you talk with existing franchisees, you're bound to hear things-both good and bad, about their experiences as franchisees.

But you need to get specifics. The way to do that is to dig deeper when they say something like, "I hardly ever get leads from the national website like I was promised I would."

In this case, all you need to do is ask the franchisee what was promised.

Then, bring up the subject during your discussions with other franchisees and corporate. See what the issue is. Or isn't.

For example, maybe it's a problem with the website.

Or maybe the geographical area the franchisee has a territory in isn't all that conducive to internet shopping.

Whatever the problem, make a commitment to get to the root of the issue, and then determine if it really is a problem, and if it could affect your business.

One more thing.

If possible, ask a franchisee (whose business is within driving distance), if you can spend a day at the business to observe it in action. It's a terrific way to determine if you can "see" yourself owning the business.



CONTACT LENDERS

Almost 100% of my clients use some form of financing to buy the franchise they've chosen.

The most popular way to fund a franchise is through an SBA small business loan.

To apply for an SBA loan in your local area, use your favorite search engine and type in "SBA Preferred Lenders near me," or "SBA Preferred Lenders" followed by your zip code.

The reason you want to use a "Preferred" lender to handle your franchise loan is because they're pre-approved by the SBA to do small business loans on a local basis. So start there.

NOTE

The SBA doesn't make loans. Local banks do.

Another way people finance their franchises is by using a portion of their 401(k) or IRA. I've had several clients do it, and it seemed to work out fine. And if you use a good, knowledgeable firm to set up the loan, there are no penalties from the IRS!



[Learn How It Works](#)

Finally, you don't need to fill out a formal application for your franchise loan the moment you contact lenders.

But it pays to know what steps you'll need to take to begin the loan application process, along with how long it will take to get approved.

MEET WITH A FRANCHISE ATTORNEY.

Buying a franchise is a big deal.

This is not* the time to call a general attorney (who just so happens to be your relative) for franchise advice.

*Unless your relative is a Franchise attorney!

The reason you need to hire a Franchise attorney is so you'll have a complete understanding of the FDD and the official Franchise Agreement (contract) you'll be required to sign.

Do not... I repeat, do not hire any other type of attorney to do this work.

That's because Franchise laws change all the time, and you're going to want maximum protection.

Bottom line:

Hire a specialist.



YOUR FRANCHISE BUYING CHECKLIST

There you have it.
Your complete Franchise Buying Checklist.

Oh...one more thing.

The last thing you need to do is make a yes or no decision on the franchise you're thinking of buying.

If you'd like my help with that, or any other aspect of the franchise buying and researching process, let's talk.



SCHEDULE A COMPLIMENTARY CALL
WITH THE FRANCHISE KING®

Finally, be sure to look in your inbox for more helpful tips and advice in the coming days.

The Franchise King®
Joel Libava
Franchise Ownership Advisor
216-831-2610
© Franchise Selection Specialists Inc.

