

JPAbusiness

Advice • Valuations • Transactions

Buying a Franchise Planning Sheet

Questions to ask when selecting a franchise	Notes	Actions
1. Is there a franchise available that suits your strengths and weaknesses, business objectives and industry experience?		
2. Is the franchise well known and does it have a high-profile, well-respected brand?		
3. Have you noticed the franchise's marketing campaigns? Does the business have a clear market point of difference?		
4. What are the set-up costs for a greenfield site? What are the ongoing costs and fees?		
5. Is there an existing franchise available in the location you are attracted to?		

Questions to ask once you have selected a franchise	Notes	Actions
<p>6. For existing franchises – why is the business for sale?</p>		
<p>7. Is the franchisor profitable? Have you spoken to existing franchisees? Are they profitable businesses and successful in their market?</p>		
<p>8. Is there a specific period that the franchise needs to be operating for?</p>		
<p>9. Are there any requirements for an existing franchise to be relocated or re-fitted?</p>		
<p>10. How much assistance will the franchisor provide for set-up and ongoing financial and marketing support?</p>		

Questions to ask when considering buying a franchise	Notes	Actions
<p>11. Are you clear on the pros and cons of buying a franchise versus a non-franchise business purchase?</p>		
<p>12. Do you understand the candidate assessment process and what the franchisor is looking for in a franchisee?</p>		
<p>13. Have you considered the risks and opportunities associated with a greenfield franchise opportunity (at a new site) versus purchasing an existing business with a track record?</p>		
<p>14. Have you factored in all the costs and benefits of the franchise opportunity (e.g. franchise fees, marketing expenses or contributions, reviews, refreshes or fit-outs, reporting and systems obligations and restrictions, product supply and ordering requirements, franchisee training and support, etc)?</p>		

15. Is buying this franchise significantly better for you than starting up a similar business from scratch or buying a similar independent business? Are you getting enough value from the extra cost of the franchise arrangement?		
16. What are the costs and implications for you, financially and otherwise, should you wish to exit the franchise either at the end of the agreement, or prematurely, due to unforeseen circumstances?		

JPAbusiness offers a range of services to assist business buyers, including:

- Business finder services
- Valuations and market appraisals
- Due diligence
- Purchase negotiations
- Transition support

If you are thinking about buying a franchise, **contact the team** at JPAbusiness on **02 6360 0360** for a confidential, obligation-free discussion.

www.jpabusiness.com.au