



Questions to ask the Franchisor

	Franchisor Name	Date	Phone	Fax
1	Why should I purchase this particular franchise?			
2	How strong is this Franchise?			
3	What are the long term goals of this franchise?			
4	What is the uniqueness of its product or service?			
5	What type of consumer response is the product or service is achieving?			
6	What is the amount of fees the franchise charges?			
7	What type of support do you provide:			
	Startup:	Operations:	Marketing:	
8	What is the length of the contract you will be signing?			
9	Ask what the pretax net profits of existing operations are and compare them against the earnings statement or pro forma that the franchisor has already supplied you.			



10	Find out what is included in the training program, field assistance, store design, facility construction, site selection, and feasibility studies.
11	Will there be any additional working capital required after the initial fee and investment, and if so, how much?
12	How will the franchisor arrange for the supply of product to the business? Ask to see a current price sheet.
13	Ask the franchisor to detail exactly what the territorial restrictions and protections are. Does the franchise company offer an area of protection (AOP) in writing?
14	Find out how many franchises have been sold to investors in the state you will be operating in during the last 12 months, and how many have opened a franchised business in that time.
15	Ask if the company has any plans for further expansion in the state. Has it identified any locations it plans to develop?
16	Find out if any franchisees have been terminated. If some have, have the franchisor detail the reasons. Have any franchisees failed or gone bankrupt?
17	What kind of financing is available from the franchisor, if any?
18	Find out if there are any current lawsuits pending against the franchisor. Have them elaborate on any past judgments.



19	Find out how disputes between the franchisor and franchisees are settled.
20	Will the franchisor assist in site selection? It will be of enormous help if it does. Whether it does or not, do your own demographic study so you are familiar with the profile of the audience within the market area.
21	What does it cost to get out of the Agreement?
22	Can I sell my business and allow the franchise to be transferred?
23	Does your franchise limit or restrict the franchisee from joining a Trade Franchisee Association?
24	Does the franchise company restrict you from competing after the franchisee/franchiser relationship ends?
25	Does the franchiser provide accountability for the advertising marketing fund? (If Applicable)
26	Does the franchise allow a cure period in the event of a default?



27	Does the franchiser require me to sign a General Release upon the end of our relationship?
28	Additional Information
29	Additional Information
30	Additional Information