

Questions to Ask the Franchisor

Franchisor Contact Name & Info

	Phone	Email	Date
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01	What is the uniqueness of your product or service?
02	What type of consumer response is the product or service is achieving?
03	What are the long term goals of this franchise?
04	What type of support do you provide for Startup, Operations and Marketing?
05	What are some of the challenges you face as a franchisor?
06	What are some of the challenges your franchisees face?
07	What do your franchisees say about the brand and working with the franchise?
08	What is the length of the contract you will be signing?
09	What does your Financial Performance (Item 19) state? Do you feel that those numbers are consistent for the average franchisee?
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	Ask if the company has any plans for further expansion in the state. Has it identified any locations it plans to develop in the ?
15	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.
16	Find out if any franchisees have been terminated in the last five years. If some have, have the franchisor detail the reasons.
17	What kind of financing is available from the franchisor, if any?
18	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.
19	What does it cost to get out of the Agreement?
20	Does the franchise company restrict you from competing after the franchisee/franchisor relationship ends?
21	Does the franchisor provide accountability for the advertising marketing fund? (If Applicable)
22	Does the franchise allow a cure period in the event of a default?
23	Does the franchisor require me to sign a General Release upon the end of our relationship?
24	Additional Information