



## **FDD Preparation Candidate Call (Step 7)**

**Lesson Description:** This is a step to help explain the **How to Read an FDD Guide**.

**Prerequisites:** This session is part of the lesson on Due Diligence on Franchise (Step 8).

- What You Need to Know to Be a Successful Franchise Broker
- The question-based broker points of SPIN Selling
- Initial Call (Step 1)
  - Funding (Step 1.2)
- SpotOn/Candidate Research (Step 2)
- Franchise Research (Step 3)
- Presentation Review (Step 4)
- Introduction to Zor (Step 5)
- Due Diligence on Franchise (Step 6)

**Instructor:** Amanda Vargas, Franchise Sales Trainer

**Resources:** How To Read A Franchise Disclosure Document (FDD)

**Quiz:** N/A

### **Objective and Directions**

The objective of this call is to prepare the candidate for reviewing the FDD step, the call with the franchisor regarding the FDD, and the call with the attorney. The FDD review can be an arduous step in the process. The document is huge. It's typically difficult to read and understand. The candidate can sometimes walk away from it feeling overwhelmed and stressed. Therefore, we want to help them become comfortable with the document and what the truly important items within it are.

## How to prepare for the FDD Preparation Candidate call

1. Review the How to Read the Franchise Disclosure Guide
2. Pull up the franchisors FDD summary
3. Review the FDD summary using the Guide to know the metrics to look for
4. Prepare potential SPIN Questions

## How to complete Introduction to FDD Preparation Call

### Call Structure

#### Opening

1. Touch base: “have you given any further thought to our call yesterday?”
2. “I like to reconnect before we get into each call.”
3. “Has anything changed since we last spoke?”
4. Go into PAIN – Use prepared SPIN Questions

#### Set expectations and purpose of the call

1. Going to review a guide that will help you save time in reading the FDD
2. Have a reference point of what to look for
3. It was written by a prominent and well-known franchise attorney who has been practicing franchise law for over 20 years.
4. “We are just going to touch on these items and see if you have any questions on them.”

#### Go through the How To Read A FDD Guide

1. (Guide Attached with sections Highlighted)
2. Talk about the FDD (use the FDD summary)

### Action items to discuss with the Candidate

- Confirm meeting time to go over questions with the zor.
- Ask the candidate to come up with their own questions and to send them to you.
- You are going to provide questions on the franchise.

### Follow Up

- Make sure the candidate is ready to review the FDD with the zor after having read the FDD and formulated good questions to ask.
- Request their questions
- Provide your questions