



### Questions to ask the Franchisor

- Franchisor Name:
- Franchisor Contact:
- Phone:
- Email:
- What should I know about joining your franchise system?
- What are the strengths of your Franchise?
- Where do you see this franchise system in 5 years and what steps are being taken to reach that goal?
- What competition is there in this field?
- How are you viewed in the consumer marketplace?
- Can you give me a break down of all of the expenses associated with getting started?
- Startup Costs:
- Operating Costs:
- Marketing/Advertising Costs:
- Please explain the contractual responsibilities if I join your franchise system. (i.e. length of agreement, renewals, etc.)
- What can I expect to earn if I join your franchise system and does your franchise disclose this amount in your written materials?
- What does your training program look like? What ongoing training do you offer?
- How much additional capital will I need after I launch my franchise?
- If applicable, what goods or services do I have to purchase directly from you, the franchisor, and can I competitively shop for a better deal?
- Is there an advertising fund that I must contribute to? And what rights do the franchisees have regarding auditing that fund?
- What is my protected territory and how is it defined?

- How many franchises have been awarded in my state and have they all opened? If they haven't opened, why not?
- What are your plans to develop my state and how will that impact my franchise?
- How many franchised units have failed and why?
- Does the franchisor have sources to assist with financing, real estate, and construction?
- Has the franchisor been sued or being sued?
- How have previous franchisee/franchisor disputes been settled?
- How have most franchisees located their franchise locations? Did they use the franchisor's contacts or did they find their own help?
- What will you do to help make sure that I am properly set up to run my own business?
- What happens when I want to retire or sell my business?
- What is the biggest complaint from your franchisees?
- Do I need permission if I want to market my business through any trade groups?
- If I do sell my business and leave the franchise system, what am I forbidden to do?
- Additional Information/Notes