THE KEY SECTIONS OF THE FRANCHISE AGREEMENT pdf

1: Ten Key Provisions of Franchise Agreements | www.enganchecubano.com

This section includes: â€¢ the rights and obligations of a franchisee upon termination â€¢ descriptions about the transfer of the franchise agreement â€¢ descriptions about the renewal of the franchise agreement.

Kendall Rawls 2, Reads The franchise industry is seeing one of the strongest growth spurts in history. Combine this with a strong economy and it is no wonder that current franchise owners are looking to expand, and those looking to invest in growth areas are eying the franchise world. With any investment, whether you are familiar with the industry or not, there are key considerations to keep top-of-mind as you seek to grow. Look at some of the most recent articles published here and you will easily find a trending theme related to growth in the franchise world. In our last two articles, we also tackled growth from a variety of perspectives. We touched on how to be equipped for funding your growth , and growing without cannibalizing your sales. One critical way to engage in smart growth, for both new comers to the industry and for more experienced players looking to build out their portfolios, is to pay close attention to the terms of your typically long-term franchise agreements. A few key provisions of the franchise agreement that can and should be negotiated include: Here, Payrow suggests that you should use your letter of intent wisely as a negotiating tool. Payrow shares that the seller may also have some big-ticket items that they would like to negotiate, and knowing them up front will ensure that you have a mutual understanding of what is and is not negotiable. Key terms to address in your letter of intent include: Purchase price and payment terms. As a buyer, consider whether to include a financing contingency or request seller financing. Transaction structure, such as an asset or equity acquisition. Include a list of key assets to be acquired. Be very clear about when and how the earnout will be measured and earned. The seller should ultimately consider the earnout as a bonus rather than guaranteed purchase price. Working capital targets and adjustments. Again, the parties need to be absolutely clear about what the targets are and how working capital is calculated. We recommend using actual examples to illustrate any formulas. Holdbacks and escrows, such as for indemnification, including amounts and terms. Limitations on liability, including any baskets or caps, and the survival period for representations and warranties. Terms of restrictive covenants, including non-compete and non-solicit restrictions. Regardless of your method of growth, there are critical areas to consider, no matter the franchise entry level or type. Growth is not only through acquisition. In our next article, we will tackle what franchise owners need to be paying attention to if looking to exit a franchise brand or location by selling their franchise. Kendall Rawls knows and understands the challenges that impact the success of an entrepreneurial owned business. Her unique perspective comes not only from her educational background; but, more importantly, from her experience as a second-generation family member employee of The Rawls Group - Business Succession Planners. For more information, visit www.

2: Franchising Documentation - Franchising - Commercial - Lexis Practice

A franchise agreement will typically include a guaranty section that can be extensive and the idea is to ensure that the franchisee's new business will cover expenses that are reasonable and are.

Articles February 1, Franchise regulation has arrived in British Columbia. To begin, I will give you my experience dealing with franchising and franchise legislation. I have practiced in the field of franchising continuously since From to , I practiced franchise law in Toronto, where I prepared franchise disclosure documents and upgraded existing franchise agreements for Canadian and American Franchisors. I will now begin by reviewing the main provisions of the BC Act. Please feel free to contact me if I fail to discuss something about the Act or Regs that you may have questions about. My contact details appear at the end of this paper. Accordingly, leases, subleases, area development agreements, master franchise agreements, guarantees and indemnities will all be included in this definition. A material fact is defined as any information about a franchised business that would reasonably be expected to: As a tool for interpreting the BC Act and Regs, there is obviously not yet a body of case law to use. The Ontario Act has been in force since and a substantial body of case law surrounding it has developed in Ontario in the meantime. This section confirms that the BC Act applies both to a new and a renewal franchise agreement for any location wholly or partially within BC. Section 3 is very important. Although this duty is placed on both Franchisors and franchisees, the Ontario Court of Appeal in a case known as Midas has stated that: Section 4 gives franchisees the right to associate with each other. This includes the right to deal as a group with their Franchisor. A Franchisor cannot refuse to deal with such a group. The same type of provision in Ontario has been used successfully by franchisees to maintain class actions against their Franchisors. Section 6 gives a franchisee a right of rescission termination if improper disclosure takes place. Section 7 gives a franchisee the right to claim monetary and other compensation resulting from the franchisee being misled by a misrepresentation in a franchise disclosure document. Sections 12 and 13 do not allow a franchisee to waive any of its rights under the Act or any other laws of BC except in the case of a negotiated settlement with its Franchisor or to waive its right to a hearing by a BC court or a BC arbitrator in respect of a dispute with its Franchisor. Therefore, any ambiguity in drafting the FDD must be avoided. For example, franchisees are to be advised to seek independent legal and financial advice and information about the Franchisor and its history, in addition to what is contained in a FDD. Business background information about the Franchisor, pursuant to Schedule, Part 1, s. Their names and current positions with the Franchisor. Schedule, Part 1, s. Their prior relevant business experience. Their employers during the past 5 years. Whether, during the past 10 years, there has been any conviction or charge pending for fraud, unfair or deceptive business practices or a breach of any law that regulates franchises or other businesses. Whether, during the past 10 years, there has been any existing or pending administrative order or penalty under a law that regulates franchising made against any director or officer, the Franchisor or its associate. Whether, during the past 10 years, there has been any liability found under a civil judgment or there is a pending claim for misrepresentation, unfair or deceptive business practices or violation of a law that regulates franchising or business Schedule, Part 1, s. Whether, during the past 6 years, there has been any bankruptcy proceeding involving the Franchisor, its associate or any of their directors or officers, or any corporation of which a current director or officer was a director or officer of the other corporation. Whether, as a policy of the Franchisor, guarantees by the principals of a corporate franchisee or security by the franchisee will be required Schedule, Part 2, s. Trade-marks, either registered or pending, which are owned or licensed by the Franchisor and used in the franchise system must be disclosed in detail, as must the right of the Franchisor itself to use the marks and to license or sublicense them to the franchisee Schedule, Part 2, s. All federal and provincial laws relating to the franchise must be disclosed. With regard to requirements of the municipality where the franchisee will open, the FDD merely needs to state that the franchisee is advised to make inquiries regarding licencing, registrations, authorizations and other permissions with the municipal hall. Schedule, Part 2, s. If a Franchisor makes any misrepresentation in its FDD, then section 7 of the Act gives any franchisee suffering a loss thereby the right to claim damages against the Franchisor and the two directors or officers signing a Certificate of Franchisor â€” see above. Section 8 of the Act provides potential defences to a Franchisor. The Franchisor must disclose details of its training program for new or renewing franchisees and any related costs to be paid by them for example, any training fee and the cost of airfare, accommodation and meals if the franchisee must travel to take training Schedule, Part 2, s. Whether a personal franchisee or the principal s of a corporate franchisee must personally participate in management of the franchised business Schedule, Part 2, s. If granted, any conditions imposed on the franchisee on continuation or potential alteration or reduction of the territorial rights. If no territorial rights are to be granted, then a statement to that effect. The Franchisor need not provide an estimate of the annual operating costs of the franchise. If the Franchisor does provide an estimate or estimates, it must also disclose reasonable assumptions and bases for the estimates or the place where information substantiating the estimates will be available for inspection by the franchisee. If the Franchisor is not providing any such estimates, then it must state this. If no earnings projection is provided, the FDD must state this fact. Will the Franchisor keep all rebates for itself or will it share them, in some way s , with its franchisees? Whether the Franchisor is providing an operations manual either in hard copy or online , for ongoing guidance of the franchisee. The Franchisor must either attach a table of contents of its manual to the FDD or specify where the manual will be available for inspection by the franchisee Schedule, Part 2, s. Details regarding any goods or services the Franchisee must purchase or lease from the Franchisor, its affiliate or its approved suppliers, and to whom it must sell them. Conditions related to termination, renewal or transfer of the franchise must all be specified Schedule, Part 2, s. Restrictions or requirements on the purchase or lease of goods and services by the franchisee from the Franchisor, its affiliate or designate, and on future sales of such goods or services by the franchisee to particular classes of purchasers must be specified Schedule, Part 2, s. A description of any restrictions or requirements in the franchise agreement regarding arbitration or mediation must be included in the FDD. However, a franchise agreement need not require arbitration or mediation in its franchise agreement. A list of current franchisees must be provided. If any misrepresentation is found in the FDD, the two signatories and the Franchisor will be jointly and severally liable to the Franchisee for any loss or damage it may have suffered. Instead, the drafting of a FDD is the sole responsibility of the Franchisor, with its lawyer, to create. It will often prove difficult for the Franchisor to determine everything that could be a material fact under the definition. Delivery of an FDD: By subsection 5 1 , Act, a Franchisor must deliver a FDD to a prospective or renewing franchisee at least 14 clear days before the signing of a franchise agreement. Emailing is a novel feature of the BC Regs â€” subsection 8 1 b provides specific conditions for delivery by email. Section 6 2 of the Act could prove extremely costly to a Franchisor which fails to deliver a FDD to a franchisee. If there is a failure to deliver, the franchisee will have 2 full years after signing the franchise agreement to rescind terminate it, to claim a refund of all monies paid to the Franchisor and perhaps other relief. Section 6 1 of the Act also provides that if a Franchisor does deliver a FDD to a franchisee, but the FDD is defective, then the franchisee will have 3 months to rescind the franchise agreement and claim damages. This is not in the Act itself. Finally, the Franchisor must obtain a receipt signed by the prospective or renewing franchisee acknowledging receipt of the FDD on a specified date. The Franchisor must save the receipt as it is a conclusive means of proving delivery. These things could be accomplished in an addendum to existing franchise agreements and by revisions to the form of franchise agreement to be used in future. I expect that existing franchisees could agree to signing such an addendum as it would help ensure they could remain in charge of their own employees and, also, have the benefit of softer controls generally. Effective February 1, , every Franchisor wishing to offer a franchise or renewal franchise in BC must deliver to a prospective or renewing franchisee a FDD which complies with the BC Regs. Since preparation of a FDD takes significant time, I recommend that preparation be started as early as possible. Additionally, most existing franchise agreements will need some amending to comply with the new BC Act. The author sincerely thanks Clark Wilson student-at-law, Brent Grunenberg, for his valuable assistance with the preparation of this paper.

3: Franchising Documentation - Contract Drafting - Business Law (Alberta)

So in this tutorial we'll take you through the key sections of an FDD, and help you find the nuggets of crucial information in there, without getting overwhelmed by all the details. We'll also look at the franchise agreement that you'll sign shortly afterwards, and explain what you need to look for.

The information is divided into a cover page, table of contents and 23 categories called "Items": One of these items, Item 19, "Earnings Claims" is an optional disclosure under the FTC Rule and State FDDs even though the performance of the franchise in terms of unit "earnings" are material facts that should be disclosed to new buyers by the seller of the franchise, who profits from the sale. There have been hearings in the US Congress to determine whether or not this failure to require the disclosure by the franchisor of "unit earnings" constitutes a flaw in the FTC Rule that removed the regulation of the sale of from state jurisdiction under securities laws to federal jurisdiction under the provisions of the FTC Rule. Suggested changes never got out of Committee. The other, Item 20, provides a current accounting of the number of units that comprise the systems and reports the terminations and sale-transfers which have been applied to report the total number of units that comprise the system. Item 20 also provides the names and contact information of franchisees, current and ex-franchisees, who may be contacted for information in the due diligence process to be conducted by prospective buyers of the franchises offered for sale. Unfortunately, due diligence conducted with Item 20 references is not always reliable because, of course, these references have no legal duty to disclose the performance statistics of their independent businesses to new buyers of franchises. This section tells how long the franchisor has been in business, likely competition, and any special laws that pertain to the industry, like any license or permit requirements. This will help the prospective franchisee understand the costs and risks they are likely to take on if they purchase and operate the franchise. Identity and Business Experience of Key Persons. This section identifies the executives of the franchise system and describes their experience. This section discusses prior litigationâ€”whether the franchisor or any of its executive officers have been convicted of felonies involving fraud, violations of franchise law, or unfair or deceptive practices law, or are subject to any state or federal injunctions involving similar misconduct. It also says whether the franchisor or any of its executives have been held liable forâ€”or settled civil actions involvingâ€—the franchise relationship. A number of claims against the franchisor may indicate that it has not performed according to its agreements, or, at the very least, that franchisees have been dissatisfied with its performance. This section also should say whether the franchisor has sued any of its franchisees during the last year, a disclosure that may indicate common types of problems in the franchise system. For example, a franchisor may sue franchisees for failing to pay royalties, which could indicate that franchisees are unsuccessful, and therefore, unable or unwilling to make their royalty payments. This section describes the costs involved in starting and operating a franchise, including deposits or franchise fees that may be non-refundable, and costs for initial inventory, signs, equipment, leases, or rentals. It also explains ongoing costs, like royalties and advertising fees. Other Fees and Expenses. Advertising This section has information on advertising costs. Franchisees often are required to contribute a percentage of their income to an advertising fund. Restrictions on Sources of Products and Services. This section tells whether the franchisor limits: Obligations of the Franchisee. Obligations of the Franchisor. Patents, Copyrights, and Proprietary Information. Restrictions on Goods and Services Offered by the Franchisee. It also defines the conditions under which a franchisee can renew, sell, or assign the franchise to others. Earnings information can be misleading. Franchisors are not required to disclose information about potential income or sales, but if they do, the law requires that they have a reasonable basis for their claims and that they make the substantiation for their claims. Franchisors practicing Franchise fraud may have a high number of former franchisees under a Gag order , preventing a potential new franchisee from obtaining a clear picture of financial performance. Sample Size The disclosure document should tell the sample size and the number and percentage of franchisees who reported earnings at the level claimed. Average Incomes Average figures tell very little about how individual franchisees perform. An average figure may make the overall franchise system look more successful than it is because just a few very successful franchisees can inflate the average. An outlet with a high gross sales revenue on paper may be losing money because of high overhead, rent, and other expenses. Net Profits Franchisors often do not have data on net profits of their franchisees. Geographic Relevance Earnings may vary with geography. Reliance on Earnings Claims Franchisors may ask a franchisee to sign a statementâ€" sometimes presented as a written interview or questionnaireâ€"that asks whether a franchisee received any earnings or financial performance representations during the course of buying a franchise. List of Franchise Outlets This section has very important information about current and former franchisees. Many franchisees in an area may mean more competition for customers. The number of terminated, cancelled, or non-renewed franchises may indicate problems. The sale-transfer columns can obscure churning of units through fire sales to third parties by failed or failing franchisees. Some companies may repurchase failed outlets and list them as company-owned outlets. Some of the former franchisees may have signed confidentiality agreements that prevent them from speaking. Franchisors practicing Franchise fraud may have a high number of former franchisees under a Gag order. If a franchisee buys an existing outlet that was reacquired by the franchisor, the franchisor must tell the franchisee who owned and operated the outlet for the last five years. Investing in a financially unstable franchisor is a significant risk; the company may go out of business or into bankruptcy after a franchisee has invested their money. They can help a franchisee understand whether the franchisor:

4: Small Business Tips - Elements of a Franchise Agreement Â» Small Business Buzz

These will certainly include your franchise agreement and may also include financing agreements, product supply agreements, personal guarantees, software licensing agreements, and many other.

The Master Franchise Agreement MFA is a type of franchise agreement that allows the Master Franchisee the right to own and operate more than one establishment called unit , and the right to sub-franchise the right to open units to other independent businesses called Franchisees , all during a specified time within a specific area. There are three participants in this contract type: It is also common, however, for the Master, to manage certain establishments, particularly the first one which is created. This type of franchise agreement is often well suited for international development, as the Master Franchisee is often far more knowledgeable and connected in the culture and business of the designated territory. However, the Franchisor loses a substantial part of control over the system resulting from the transfer of responsibility and the enforcement of systems standards may be more difficult in this type of relationship. Accordingly selection of the Master Franchisee is a critical endeavour to the success of the relationship. Below, we offer a checklist of clauses typically to be included in a Master Franchise Agreement. It is recommended that the following key elements be included, at least: RIGHTS GRANTED The mutual objective of the agreement will typically be to further develop the Franchise System in a specific geographical territory and to make this possible by the Franchisor granting the Master Franchisee the right to use the Franchise System, a trademark license and a license for the use of any other intellectual property rights and to grant franchises to sub-franchisees within the limits provided for in the agreement. The parties can opt for expansion or reduction of the territory dependent on the attainment of specific and clearly defined targets either in terms of turnover or the number of sub-franchised units opened or a combination thereof. If no limitations are made with regard to the exclusivity, this usually means that the Master Franchisee has the unconditional right to franchise the business in the assigned territory to the exclusion of any other third party including the Franchisor itself. It is in the interest of all parties involved to approach this subject in a realistic manner in order to keep potential conflicts to a minimum. The agreement should provide solutions for the situation where realistic minimum developments are not obtained e. The first is the initial fee for the rights granted. The second is an ongoing Franchise Fee often also referred to as a royalty or continuing fee for the use of the Franchise System and ongoing support service of the Franchisor. An initial fee does not have to be a lump sum all paid up front. In many Franchise Systems, the initial fee is divided into equal tranches, or small first payment and then pay per-Unit opened. The franchise fee is a charge for the continuing use of the rights granted and support provided. It is quite common that the franchise fee is calculated in the form of a percentage of the revenues of the Master Franchisee. However, parties are free to agree on and use different methods to determine this fee. These may vary from payment of monthly fixed fees to variable fees either on sliding scales or not calculated on the basis of revenues, purchases or sales, etc. Another option is that the Master Franchisee may have the right to draft a standard Sub-Franchise Agreement provided that this standard agreement contains a number of clauses that are considered as mandatory by the Franchisor. MFAs typically provide that the Master Franchisee and the Sub-Franchisees must contribute to a local advertising fund set up by the Master Franchisee, as well as a regional or global advertising fund administered by the Franchisor. Early termination by the Franchisor in the event of a material breach by the Master Franchisee or automatic termination in the event of bankruptcy, insolvency, etc. However, careful consideration must always be given first to a number of relevant factors in order to arrive at a well-motivated and useful choice. International commercial arbitration will typically be the most appropriate solution when a dispute arises under an international MFA. Arbitration is generally less costly and time-consuming than litigation, offers a flexible and neutral forum, and process and allows the parties to choose an arbitrator with relevant subject-matter expertise. To obtain the Master Franchise Agreement Template click here:

5: Franchise disclosure document - Wikipedia

"franchise agreement" - Any agreement that "relates to a franchise" is deemed by the Act to be a "franchise agreement". Accordingly, leases, subleases, area development agreements, master franchise agreements, guarantees and indemnities will all be included in this definition.

Ventures 20 A doubleshot of small business espresso with extra froth A small business blog featuring tips to help entrepreneurs succeed in the small business world. Topics include family business, human resources, marketing, money, networking, operations, ownership, startup, taxes and technology. And there is no doubt that a FA is specific about every little detail. A Franchise Agreement does not mean that you are becoming part owner in the company. On the contrary, all rights to the brand, trademarks and operating systems remain solely the property of the franchiser. As a franchisee, you are more or less an investor, often temporarily. Though every FA varies tremendously based upon the company and product or service provided, most contain the following basic elements: This includes the repair and maintenance that you are expected to contribute as well as the regulations regarding trademarks, patents, advertising policies, etc. Territory Where your specific business will operate and any exclusivity rights that may apply. Be aware that part of your investment in a franchise may be the purchase of real property for the business location. Many FAs require that, upon the termination of the agreement, the property be sold to the franchise company, often under market value. Support The training and operational support provided by the franchiser throughout the lifetime of the FA. However, this is typically at some cost to the franchisee. Duration and Renewal The initial duration of the agreement and your renewal options. The initial term can range from years, more frequently toward the shorter end with multiple renewal periods. Most franchisers prefer this policy because any changes made to the FA during the initial term are automatically put into effect upon renewal, and you typically have no idea what those new regulations will be beforehand. Therefore, the longer the initial duration of the FA, the better it is for you, the franchisee. Also remember that, the better your performance, the more favorable the changes will be. Selling What your rights are regarding the sale or transfer of your franchised unit. As a legal assistant, I cannot stress enough how important it is that you have an attorney assist you with your review of the Franchise Agreement. An attorney can interpret the legal jargon usually found in a FA, and consult you accordingly to avoid an unfavorable situation later on.

6: Franchise Agreement Template - Get Free Sample

The Franchise Agreement is the legal document that governs the franchisee/franchisor relationship. There is no standard format for a Franchise Agreement because the terms and conditions and operations vary from franchise to franchise and industry to industry. In general, Franchise Agreements cover.

For example, the franchisor may provide you with help in finding a location for your outlet; initial training and an operating manual; and advice on management, marketing or personnel. The franchisor may provide support through periodic newsletters, a toll-free telephone number, a website or scheduled workshops or seminars. Owning a franchise comes with defined costs, franchisor controls and contractual obligations. Initial Franchise Fee and Other Expenses Your initial franchise fee will typically range from tens of thousands of dollars to several hundred thousand dollars and may be non-refundable. You may face significant costs to rent, build and equip an outlet and to buy initial inventory. Continuing Royalty Payments You may have to pay the franchisor royalties based on a percentage of your weekly or monthly gross income. Advertising Fees You also may have to contribute to an advertising fund. Some portion of the advertising fees may be allocated to national advertising or to attract new franchise owners, rather than to promote your outlet. Franchisor Controls To ensure uniformity, franchisors usually control how franchisees conduct business. These controls may significantly restrict your ability to exercise your own business judgment. A franchisor may control: Site Approval Many franchisors retain the right to approve sites for their outlets, and may not approve a site you select. Some franchisors conduct extensive site studies as part of the approval process and a site they approve may be more likely to attract customers. Design or Appearance Standards Franchisors may impose design or appearance standards to ensure a uniform look among their outlets. Some franchisors require periodic renovations or design changes; complying with these requirements may increase your costs. Restrictions on Goods and Services You Sell Franchisors may restrict the goods and services you sell. For example, if you own a restaurant franchise, you may not be able to make any changes to your menu. If you own an automobile transmission repair franchise, you may not be able to perform other types of automotive work, like brake or electrical system repairs. Restrictions on Method of Operation Franchisors may require that you operate in a particular way. They may dictate hours; pre-approve signs, employee uniforms and advertisements; or demand that you use certain accounting or bookkeeping procedures. In some cases, a franchise advertising cooperative may require you to sell some goods or services at specific discounted prices, which may affect your profits. Or, the franchisor may require that you buy supplies only from an approved supplier, even if you can buy similar goods elsewhere for less. Restrictions on Sales Area A franchisor may limit your business to a specific location or sales territory. For example, the franchisor may have the right to offer the same goods or services in your sales area through its own website, catalogs, other retailers or competing outlets of a different company-owned franchise. Contractual Obligations Franchise contracts last only for the number of years stated in the contract. Terminations A franchisor can end your franchise agreement for a variety of reasons, including your failure to pay royalties or abide by performance standards and sales restrictions. Renewals Franchise agreements may run for as long as 20 years. Renewals are not automatic. For example, the franchisor may raise the royalty payments, impose new design standards and sales restrictions, or reduce your territory. Any of these changes may result in higher costs, reduced profits or more competition from company-owned outlets or other franchisees. Is a Franchise Right for You? Before you invest in a particular franchise system, think about how much money you have to invest, your abilities and your goals. Your Investment How much money do you have to invest? How much money can you afford to lose? Are you purchasing the franchise alone or with partners? Do you need financing? Where will you get it? Do you have savings or additional income to live on until your franchise opens and, you hope, becomes profitable? Your Abilities Does the franchise require technical experience or special training or education â€” for example, auto repair, home and office decorating or tax preparation? What special skills can you bring to this business? What experience do you have as a business owner or manager? Your Goals What are your reasons for buying a particular franchise? Do you need a specific minimum annual income? Do you want to work in a particular field? Are you interested in retail sales or performing a service? How many hours can you work? How many are you willing to work? Do you intend to operate the business yourself or hire a manager? Will franchise ownership be your main source of income or a supplement to your current income? Are you in this for the long term? Would you like to own several outlets? Are you willing to let the franchisor be your boss? Franchise Exposition Attending a franchise exposition allows you to see and compare a variety of franchise possibilities at one time. Before you attend, research the kind of franchise that may best suit your budget, experience and goals. When you attend, visit several franchise exhibitors who deal with the type of industry that appeals to you. How many franchised outlets are there? What is the initial franchise fee? What are the additional start-up costs? Are there continuing royalty payments? How much are they? What management, technical and other support does the franchisor offer? What controls does the franchisor impose? How long has the franchisor been in business? Exhibitors may offer you incentives to attend a promotional meeting to discuss the franchise in detail. These meetings can be another source of information and give you a chance to raise questions, but they may also expose you to high-pressure sales tactics. Be prepared to walk away from any franchise opportunity â€” and promotion â€” that does not fit your needs. Typically, a broker reviews the amount of money you have to invest and then directs you to opportunities that match your interests and resources. A broker also may help you finish applications and the paperwork to complete the sale. Brokers often work for franchisors, and are paid only if a sale is made. What choices does the broker offer? That may be true â€” or not. Ask how many franchisors the broker represents. A broker who represents only a few franchisors will give you limited suggestions. How does the broker select franchises? Some franchise brokers may claim they will suggest only those franchises that meet certain standards. You may think this means that your risk is limited because the broker weeds out poor investments. In fact, some brokers represent any franchisor willing to pay them a commission for a sale. Ask how the broker selects franchisors to represent. Ask to see the selection criteria and how many franchisors the broker has recently turned down. How is the broker paid? Some brokers earn a flat fee regardless of the price of the franchise they sell. Others earn a commission based on the cost of the franchise. These brokers may steer you toward a more costly franchise to increase their commission. Ask who pays the broker and how the payment is calculated. Find out whether the broker earns a commission based on the cost of the franchise. If he or she does, consider whether the broker is suggesting a higher priced franchise in order to earn a larger commission. To convince you to buy a particular franchise, a broker may talk about how much money you can make. These claims may not be true or can be misleading. Or the claim may be based on outdated industry data. In some instances, earnings claims may use gross sales figures, but when you consider likely expenses, you may find that actual earnings will be far less. Talk to them, rather than relying on information from the broker alone. Ask about their experience with the franchisor. Selecting a Franchise Purchasing a franchise is like any other investment: Is it seasonal or evergreen? Could you be dealing with a fad? Does the product or service generate repeat business? How many franchised and company-owned outlets are in your area? Does the franchise sell products or services that are easily available online or through a catalog? How many competing companies, including competing franchises, sell similar products or services at a similar price?

7: A Consumerâ€™s Guide to Buying a Franchise | Federal Trade Commission

Keys to the Franchise Agreement. A franchise agreement is a written contract between the franchisor and the franchisee that describes the franchisor ()

8: Franchise Disclosure Document | FDD

A Franchise Agreement is a legal document that binds franchisor and franchisee together. This document explains what the franchisor expects from the franchise in running the business.

9: FDDs are key to any franchise agreement, including Tint World - Tint World Franchise

THE KEY SECTIONS OF THE FRANCHISE AGREEMENT pdf

The franchise agreement is the contract between the franchisor and you, but it's not a "standard" or "form" agreement. The format of the contract differs from one franchise system to.

THE KEY SECTIONS OF THE FRANCHISE AGREEMENT pdf

Spectrum ing grade 9 Models of metropolitan ministry Review of Biological Research in Aging Supplying soldiers. Internal auditing assurance consulting services 3rd edition British history of Geoffrey of Monmouth. Venture Enhancement and Loan Development Administration for Smaller Undercapitialized Enterprises (Velda Nokia c3 service manual Designing with light an introduction to stage lighting Pamphlets, printing, and political culture in the early Dutch Republic Eric the Romantic Sudoku Red (Sudoku) Geographic visualization concepts tools and applications Mary of Bethany anoints Jesus (12:1-11) Modern atomic and nuclear physics by ab gupta Debates in the Texas Constitutional convention of 1875 Excel 2000, Basics One-Day Course (One Day Course) Inhabiting the cruciform God : Paul and the question of theosis Life With a Star (Jewish Lives) Stormy Relationship Operating system design the zing approach v 1 Police Traffic Stops and Racial Profiling School administration and supervision To make all things new Commission on Interracial Cooperation papers, 1919-1944 Rethinking the concept of data Real story of the three little pigs The destruction of the black civilization The Spirit Of Jacobite Loyalty What do you think of you? Ruskin and the aesthetes Our story quilt : memories in words and fabric Susan Karwoska The spaces of Latin American literature Finding Magic Mountain Pt. 2. Preparatory stage. Driving Guides to America Treasure of Atocha Ny times draft climate report What comes in threes? Batsford companion to medieval England