

LICENSOR / FRANCHISOR QUESTIONNAIRE

What are your goals for the next 1 year, 3 years, 5 years?

- Number of locations?
- Ratio of success to failure?
- Profitability?

What are your goals for the next 6 months?

- Number of leads?
- Number of commitments?

Franchisee Criteria and Selection – Requirements

- Initial Financing
 - o Down Payment
 - o Initial Costs
 - o Operating Costs
- Experience
 - o Business Experience
 - o Restaurant Experience
- Time Commitment

Financing

- What support will be offered to a franchisee?

Training & Support

- What type of training will you offer?
- How long will the training take?
- Will training take place before or after the commitment?
- Plans for ongoing training?
- Will an executive or a trouble shooter be available for assistance?

Ongoing Fees & Costs

- What will the franchisor provide? And what are the costs for those?
- What supplies and equipment will need to be purchased ourselves?

Other

- Have you consulted a lawyer about legally protecting yourself against litigation from disgruntled franchisees?

Capital

- Cost to open?
- Working capital?
- Expected profitability? Variables of profitability?
- How does the franchisor make their money?
- When should a franchisor expect to be profitable?
- What is the timeline from agreement to opening?

Competition

- Has a competitive analysis been completed?
- Advantage and disadvantages over competition?

Location

- How will locations be selected?
- How will locations be protected?

Advertising

- Who and how will marketing be conducted?
- Do franchisees have a say in how our advertising dollars are spent? (Many franchises have an "Ad Council" made up of franchisees.)

Franchisor vs. Franchisee Roles and Responsibilities

- What materials or services am I required to buy directly from the franchisor?