



FRANCHISING

WHAT IS IT?

The creation of a distribution channel to build brand identity and attain market dominance... QUICKLY!

Franchises give you...

- A license to use
 - Name and Trademarks
 - Products
 - Business Systems
- In exchange for:
 - Initial franchise fee
 - Ongoing royalties

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GOVERNMENT DISCLOSURE

FRANCHISE DISCLOSURE DOCUMENT

Franchise Info	Costs	Franchise Agreement
<ul style="list-style-type: none"> - Start-Up Costs - Business experience - Background - Litigation 	<ul style="list-style-type: none"> - Franchise fee - Royalty fee - Other fees - Working capital - Expenses 	<ul style="list-style-type: none"> - Obligations for Franchisor & Franchisee - Territory - Length and control of the Co. - Control, Day-to-day - Real estate lease - Marketing, Co-brand - Financial statements - Management - Renewal, Extension & Transfer Rights



TOPICS FOR DISCUSSION

- Overview of Franchise Business Model
- Myths & Realities of Franchising
- How to Find Your Fit
- Minimizing Risk via Research

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OTHER CONSIDERATIONS

- A document that forms the legal basis of the relationship between the Franchisor and Franchisee
- Franchise agreement is not negotiable
- You need some investment capital. You'll need at least \$25K and be able to support your personal continued for 18 months.
- The Franchise Agreement is a partnership agreement with professional assistance (Attorney, CPA) (Joining the business with a partner)

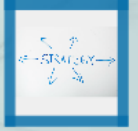
Pro-Tip: You should always get legal advice when you're considering a franchise. It's a big decision and you need to make sure you understand all the risks and rewards of the franchise industry.

Vitalia Franchise

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PROFESSIONAL RESOURCES

- Franchise Consultant
- Franchise Attorney
- Accountant



FRANCHISES AREN'T ALL THE SAME

MAKE SURE IT'S A GOOD FIT FOR YOU!

- Many Units vs. Fewer Units
- Mature vs. Emerging
- Structured vs. Flexible Systems
- B2B vs. B2C

- Big franchisors allow the percentages because they had few failures
- Not all units are still run by the founder
- There are no average franchises
- You should only care about your success



WHY OWN A FRANCHISE?

There are many reasons why you should own a franchise. Here are some of the most common ones:

- Proven Business Model
- Established Brand
- Marketing Support
- Training and Ongoing Support
- Access to a Large Network
- Lower Risk
- Flexibility
- Scalability
- Location Advantages
- Industry Expertise
- Financial Stability
- Customer Base
- Operational Support
- Research and Development
- Regulatory Compliance
- Intellectual Property
- Supply Chain Management
- Human Resources
- Logistics
- Technology
- Environmental Sustainability
- Social Responsibility
- Innovation
- Global Expansion
- Risk Management
- Crisis Management
- Reputation Management
- Customer Retention
- Employee Engagement
- Talent Acquisition
- Organizational Structure
- Business Process Improvement
- Quality Control
- Compliance
- Data Analysis
- Project Management
- Time Management
- Stress Management
- Work-Life Balance
- Financial Planning
- Tax Planning
- Estate Planning
- Insurance
- Legal Services
- Accounting
- HR Services
- IT Services
- Marketing Services
- Consulting Services
- Training Services
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For more information, visit our website: www.thecasesolutions.com



CHARLIE MAGEE

FRANCHISE CONSULTANT

THE CASE SOLUTIONS



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TOPICS FOR DISCUSSION

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OTHER CONSIDERATIONS

- A disclosure that forms more than 60% of the entire document requires 15-day rescission period
- Franchises are not 50/50 partnerships
- You need some investment capital. Don't invest if you can't afford to spend your personal net worth for 18 months.
- The franchise is a partnership agreement with professional assistance (attorney, CPA) during the business set-up phase.

Pro-Tip: Don't forget to check the Franchise Disclosure Document (FDD) for red flags and to consult with a lawyer before signing any documents.

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WHY OWN A FRANCHISE?

There are several reasons to own a franchise:

- Proven Business Model
- Established Brand
- Marketing Support
- Training & Ongoing Support
- Access to Capital
- Reduced Risk
- Economies of Scale
- Flexibility
- Location Advantages
- Competitive Pricing
- Customer Loyalty
- Industry Expertise
- Strong Support Network
- Proven Products/Services
- Access to Suppliers
- Established Relationships
- Proven Marketing Strategies
- Access to Talent
- Reduced Operational Costs
- Proven Business Plan
- Access to Industry Connections
- Proven Business Model
- Established Brand
- Marketing Support
- Training & Ongoing Support
- Access to Capital
- Reduced Risk
- Economies of Scale
- Flexibility
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- Competitive Pricing
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For more information, visit www.thecasesolutions.com or call 1-800-850-8500.



CHARLIE MAGEE
Franchise Consultant

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SION

ADVANTAGES

- *A proven, time-tested business model that works*
- *Predictable future results*
- *Attractive to lenders*
- *Transparent due diligence process with the franchisor and existing franchisees*
- *Recognized brand name and turn-key operating systems*

DISADVANTAGES

- *An seemingly endless and overwhelming number of concepts to choose from*
- *Paying a franchise fee*
- *Royalties*
- *Reporting, compliance, and mandatory attendance for training, annual conferences, etc*

MYTH #1

ONLY FAST FOOD AND RETAIL.

- *Over 3,100 different franchise companies*
- *In more than 80 industries*
- *With over 900,000 operating units*

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MYTH #2

FRANCHISES SUCCEED BECAUSE OF PRODUCT QUALITY.

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Example:

- *Can you make a hamburger?*
- *Is your hamburger better than McDonald's?*

If it is not the product than what is it? It's about the Business System.

Marketing // Sales // Operations // Accounting

MYTH #3

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SUCCESSFUL FRANCHISES EMERGE IN A NEW INDUSTRY WITH NO NEW COMPETITORS.

Successful franchises emerge from well established industries by creating consolidation.

- It's The System*
- McDonald's started when there was a burger joint on every corner*
- More recent examples are in Consumer and Business services*

MYTH #4

FRANCHISES ARE EXPENSIVE.

<i>Average Initial Investment Range</i>	<i>Percentage</i>
<i>Under \$50,000</i>	<i>13%</i>
<i>\$50,001 to \$100,000</i>	<i>17%</i>
<i>\$100,001 to \$250,000</i>	<i>28%</i>
<i>\$250,001 to \$500,000</i>	<i>23%</i>
<i>Over \$500,000</i>	<i>18%</i>

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