

FRANCHISE EVALUATION CHECKLIST



This checklist is designed to show you the type of questions you should ask before committing to a Franchise business. It does not contain all the questions pertaining to a specific franchise. Keep in mind that information is your greatest tool in selecting the most successful franchise for you.



COMPANY HISTORY & EVALUATION

1. How long has the franchiser been in operation?
2. If a new firm, how long has the concept been tested?
3. What are the results of the concept testing?
4. What is the firm's record of accomplishment?
5. Does the firm have a reputation for honesty with its franchisees? With its customers?
6. Who are the principals of the firm?
7. In what regard are these principals held in the community?
8. What experience have the principals of the firm had in this type of business?
9. Is the firm adequately financed? Have you seen a recent financial statement?
10. What are the plans for future development and expansion?
11. What effect will development and expansion have on your dealings with the firm?
12. How selective is the company in choosing its franchisees? Did they ask for your qualifications?

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THE FRANCHISE PRODUCT OR SERVICE

1. How would you evaluate the product or service's quality?
2. Would you buy the product or service on its own merits?
3. Are you prepared to spend the remainder of your business life with this product or service?
4. Will this product or service sell all year round in your area or are you going to be out of business for some months of the year? Would you be prepared for a slack period?
5. Will this product or service increase in demand as the years progress or it is a passing fad?
6. Is the product or service priced competitively with others in its class?
7. Is it packaged well and will the packaging help to promote sales?
8. How long has this product or service been on the market in its present form?
9. Where is the product/service now sold and what guarantee do you have that it will sell in your area?