

SCORE SouthEast Wisconsin

Franchise Evaluation Criteria

NOVEMBER 10TH, 2006

IFA's Criteria for Evaluating Franchise Opportunities The International Franchise Association recommends considering the following factors before choosing a franchise opportunity:

Costs: • How much money will this franchise cost before it becomes profitable? • Can I afford to buy this franchise? • Can I make enough money to make the investment worth my time and energy?

Your Abilities: • Do you have the technical skills or experience to manage the franchise? • Do you have the business skills to manage the franchise?

Demand: • Is there enough demand in your area for the franchisor's products or services? • Is the demand year-long or seasonal? • Will the demand grow in the future? • Does the product or service generate repeat business?

Competition: • How much competition do you have, including other franchisees? • Are the competing companies/franchises well established? • Do they offer the same products and services at the same or lower prices? • Is there a specialty or niche you can capture? • **Brand Name:** • How well known is the franchise name? • Does it have a reputation for quality? • Have any consumers filed complaints with the local Better Business Bureau?

Training and Support: • What kind and how much training and support does the franchisor provide? • Do existing franchisees find this level of training and support adequate?

Franchisor's Experience: • Has the franchisor been in business long enough to have established the type of business strength you are seeking?

Expansion Plans: • Is the franchisor planning to grow at a rate that is sustainable?

More information and resources are available from: <http://www.franchise.org/>