FRANCHISE BUYER'S TOOLKIT

The worksheets in this toolkit can be completed individually and in any order, depending on where you are in your franchise exploration process. Each worksheet stands on its own, but the corresponding chapters provide additional guidance and explain the reasoning behind the questions.

Whenever a business-model quadrant is referenced, use the following classifications:

A: B2C Simple Retail

B: B2C Sophisticated Retail

C: B2C Residential Services

D: B2B Services

TOOL #1

MY FRANCHISE BUYER PROFILE

WHY I AM CONSIDERING FRANCHISE OWNERSHIP

MY FROM → TO

MY 1-YEAR/3-YEAR/5-YEAR/10-YEAR GOALS

MY PREFERRED OWNERSHIP MODEL

MY STARTUP AND STABILIZED HOURS

RESPONSIBILITIES I WANT

RESPONSIBILITIES I DO NOT WANT

MY TRANSFERABLE SKILLS

PREFERRED CUSTOMER

PREFERRED WORKFORCE

PREFERRED CUSTOMER-ACQUISITION MODEL

REVENUE MODEL PREFERENCE

LIFESTYLE NON-NEGOTIABLES

FINANCIAL BOUNDARY

IDEAL BUSINESS PROFILE

INITIAL CATEGORY SHORTLIST

INITIAL FRANCHISE SHORTLIST

FOUR-QUADRANT FIT

☐ High ☐ Medium ☐ Low ☐ Eliminate A: B2C Simple Retail

☐ High ☐ Medium ☐ Low ☐ Eliminate B: B2C Sophisticated Retail

☐ High ☐ Medium ☐ Low ☐ Eliminate C: B2C Residential Services

☐ High ☐ Medium ☐ Low ☐ Eliminate D: B2B Services

DOES THIS FRANCHISE FIT THE PROFILE I CREATED — OR AM I CHANGING MY PROFILE TO FIT THE FRANCHISE?

TOOL #2

OWNERSHIP MODEL & LIFESTYLE FIT WORKSHEET

FRANCHISE/CATEGORY/SELECTED QUADRANT/TERRITORY

PREFERRED OWNERSHIP MODEL

STARTUP HOURS

STABILIZED HOURS

FRANCHISOR DESCRIPTION OF OWNER'S JOB

FRANCHISEE REALITY

SELECTED QUADRANT REALITY CHECK

ACTUAL OWNER'S JOB

DELEGATION REALITY CHECK

MANAGER DEPENDENCY TEST

SALES TEST

PEOPLE-MANAGEMENT TEST

VACATION TEST

What would it take for the business to run for a week without me, and who would manage it?

CAREER TEST

Does this business fit my experience, strengths, and interests?

THREE-HOUR TEST

What would I spend three typical working hours doing, and would I enjoy it?

FINAL OWNERSHIP ALIGNMENT

DO I WANT THAT JOB?

TOOL #3

FINANCIAL CAPACITY & FRANCHISE INVESTMENT WORKSHEET

CURRENT FINANCIAL POSITION

ACCESSIBLE CAPITAL

COMFORTABLE INVESTMENT MAXIMUM

MAXIMUM I AM WILLING TO RISK

PERSONAL RUNWAY

EMERGENCY RESERVES

TOTAL INVESTMENT

WORKING CAPITAL

WORKING CAPITAL BUFFER

CASH CONTRIBUTION

AMOUNT FINANCED

DEBT BOUNDARY

10–20–30 TEST

3–6–12 MONTH DELAY TEST

DOWNSIDE NUMBER

CONCENTRATION RISK

HOUSEHOLD STRESS TEST

CAN I QUALIFY?

CAN I AFFORD IT?

SHOULD I DO IT?

FINAL FINANCIAL BOUNDARY

DID MY FINANCIAL POSITION CHANGE — OR DID MY DESIRE FOR THIS FRANCHISE CHANGE?

TOOL #4

FRANCHISE DISCLOSURE DOCUMENT REVIEW CHECKLIST

Franchise: .....

Category: .....

Selected Quadrant: ..... : .....

ITEM 1

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

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ITEM 2

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

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ITEM 3

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

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ITEM 4

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 5

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 6

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 7

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 8

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 9

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 10

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 11

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 12

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 13

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 14

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 15

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 16

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 17

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 18

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 19

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 20

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 21

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 22

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

ITEM 23

Status: ☐ Clear ☐ Question ☐ Concern ☐ Professional Review

PRIORITY REVIEW

Focus additional attention on Items 7, 11, 12, 15, 17, 19, 20, and 21.

WHAT DID I LEARN FROM THE FDD THAT I DID NOT KNOW BEFORE?

TOOL #5

FRANCHISEE VALIDATION INTERVIEW WORKSHEET

Franchise: .....

Category: .....

Selected Quadrant: ..... : .....

FRANCHISEE INFORMATION

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WHY THEY CHOSE THE FRANCHISE

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STARTUP EXPERIENCE

TOTAL INVESTMENT/WORKING CAPITAL

OWNER'S JOB

STARTUP AND CURRENT HOURS

STAFFING

CUSTOMER ACQUISITION

OWNER-LED SALES

SELECTED QUADRANT REALITY CHECK

FRANCHISOR SUPPORT

ECONOMICS

TERRITORY

SYSTEM HEALTH

WHAT THEY WISH THEY HAD KNOW

WOULD THEY BUY AGAIN?

OVERALL CONFIDENCE

VALIDATION PATTERN TRACKER

Owner's Job: .....

Owner Hours: .....

Staffing/Workforce: .....

Customer Acquisition: .....

Sales: .....

Working Capital: .....

Franchisor Support: .....

Territory: .....

Economics: .....

Buy-Again Answers: .....

WHAT INFORMATION COULD STILL CHANGE MY MIND?

TOOL #6

FRANCHISE COMPARISON SCORECARD

Franchise A: ..... Quadrant: ..... : .....

Franchise B: ..... Quadrant: ..... : .....

Franchise C: ..... Quadrant: ..... : .....

DO NOT COMPARE PRESENTATIONS. COMPARE EVIDENCE.

Factor	Importance 1–5	Franchise A	Franchise B	Franchise C
Owner's Job Fit	.....	.....	.....	.....
Ownership Model Fit	.....	.....	.....	.....
Startup Time Fit	.....	.....	.....	.....
Stabilized Lifestyle Fit	.....	.....	.....	.....
Total Investment Fit	.....	.....	.....	.....
Working-Capital Requirement	.....	.....	.....	.....
Downside Risk	.....	.....	.....	.....

Factor	Importance 1–5	Franchise A	Franchise B	Franchise C
Economic Potential				
Revenue Model Fit				
Customer-Acquisition Fit				
Sales Fit				
Staffing Fit				
Territory Quality				
Training				
Ongoing Franchisor Support				
System Health				
Franchisee Validation				
Leadership Confidence				
Growth Potential				
Overall Personal Fit				
TOTAL WEIGHTED SCORE				

FACTS VS. ASSUMPTIONS

ASSUMPTION RISK TEST

DEAL-BREAKER CHECK

RISK-ADJUSTED FINANCIAL COMPARISON

FORCED-CHOICE TEST

NO-PRESSURE TEST

Would I still choose this opportunity if every deadline disappeared and nobody were encouraging me to move forward?

SECOND-PLACE TEST

TEN-YEAR TEST

NEXT-TUESDAY TEST

DECISION GAP

CURRENT RANKING

THE HIGHEST SCORE DOES NOT AUTOMATICALLY WIN.

WHAT AM I SEEING THAT I SHOULD NOT IGNORE?

IF THE COLUMNS COME OUT CLOSE, THAT IS INFORMATION TOO.

A scorecard produces a ranking. It does not produce a decision. When two or three brands finish within a few points of each other, the useful next step is usually a conversation with someone who has watched those systems behave after the paperwork was signed.

That is the part I can help with, and it costs nothing.

whatfranchisetobuy.com/book

TOOL #7

FRANCHISE RED FLAG CHECKLIST

Franchise: .....

Selected Quadrant: ..... : .....

SALES-PROCESS RED FLAGS

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FRANCHISEE-ACCESS RED FLAGS

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FRANCHISEE-PATTERN RED FLAGS

SYSTEM-MOVEMENT RED FLAGS

CONSISTENCY RED FLAGS

ECONOMIC RED FLAGS

WORKING-CAPITAL RED FLAGS

BUSINESS-MODEL/QUADRANT RED FLAGS

OWNER'S-JOB RED FLAGS

PRODUCT-LOVE RED FLAGS

TERRITORY RED FLAGS

FRANCHISOR-BEHAVIOR RED FLAGS

FINANCING RED FLAGS

FIT-STRETCHING RED FLAGS

FOMO RED FLAGS

SUNK-COST TEST

LEGAL RED FLAGS

UNANSWERED QUESTIONS

PREDETERMINED WALK-AWAY CONDITIONS

YELLOW/ORANGE/RED SUMMARY

CURRENT STATUS

REMEMBER: SOMETIMES THE MOST PROFITABLE FRANCHISE DECISION YOU WILL EVER MAKE IS THE FRANCHISE YOU DECIDE NOT TO BUY.

TOOL #8

DISCOVERY DAY QUESTION & EVALUATION WORKSHEET

Franchise: .....

Selected Quadrant: ..... : .....

BEFORE DISCOVERY DAY

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FIVE MOST IMPORTANT UNRESOLVED QUESTIONS

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PEOPLE I WANT TO MEET

LEADERSHIP

GROWTH AND SUPPORT CAPACITY

WHAT DOES A GOOD FRANCHISEE LOOK LIKE?

SELECTED QUADRANT CONSISTENCY CHECK

TRAINING

FIRST 90 DAYS

STRUGGLING FRANCHISEES

MARKETING

TECHNOLOGY

STAFFING REALITY

OWNERSHIP MODEL CONFIRMATION

TERRITORY CONFIRMATION

ECONOMICS

LEADERSHIP VS. VALIDATION

CULTURE

THE QUESTION I AM AFRAID TO ASK

WHAT QUESTIONS ARE THEY ASKING ME?

CAN THE FRANCHISOR SAY NO?

FINAL LEGAL REVIEW

FINAL FINANCIAL REVIEW

DISCOVERY DAY CONFIDENCE SCORE

24-HOUR TEST

FINAL DISCOVERY DAY EVALUATION

CURRENT STATUS

IS THE OPPORTUNITY I UNDERSTAND TODAY STILL THE OPPORTUNITY I WANT TO OWN?

DO I WANT TO BE IN BUSINESS WITH THESE PEOPLE?

TOOL #9

FINAL FRANCHISE DECISION CHECKLIST

Franchise: .....

Selected Quadrant: ..... : .....

RETURN TO MY ORIGINAL CRITERIA

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CRITERIA INTEGRITY CHECK

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BUYER FIT

OWNER'S-JOB FIT

OWNERSHIP-MODEL FIT

BUSINESS-MODEL/QUADRANT FIT

FINANCIAL FIT

FINANCIAL STRESS TEST

FDD REVIEW

FRANCHISEE VALIDATION

TERRITORY FIT

COMPARISON

RED FLAG REVIEW

WALK-AWAY CONDITIONS

FUNDING

DISCOVERY DAY

KNOW VS. HOPE

FAILURE-SCENARIO TEST

Have I considered the financial consequences if the business takes longer than expected to become profitable? (See Chapter 10, Working Capital and the Failure Scenario.)

SLEEP TEST

After taking time to reflect, am I still confident in this opportunity, comfortable with the risks, and prepared for the responsibilities of ownership?

NO-PRESSURE TEST

Would I still choose this opportunity if every deadline disappeared and nobody were encouraging me to move forward?

ONE-PAGE YES TEST

Can I clearly explain why this franchise is a good fit for me, including the investment, responsibilities, and long-term objectives? (See Chapter 6, Create a One-Page Profile.)

PROFESSIONAL REVIEW

FINAL EVIDENCE CHECK

FINAL DECISION

☐ YES: I am prepared to proceed.

☐ NOT YET: The opportunity may fit, but the timing or my circumstances do not.

☐ NO: I am not proceeding.

WHICH FRANCHISE, IF ANY, IS THE RIGHT FIT FOR ME?