FRANCHISE COMPARISON WORKSHEET

Use this worksheet to assist you to define the appeal of each franchise that you are considering. Rate your answer to each question by assigning a rating of 1-3, with 3 being the strongest. After you have finished then total each column. The franchise with the highest score will be the most appealing.

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| --- | --- | --- | --- |
|  | **FRANCHISES** | | |
| **THE FRANCHISE ORGANISATION** | **1** | **2** | **3** |
| Does the franchisor have a good track record? |  |  |  |
| Do the primary leaders of the franchise have expertise in the industry? |  |  |  |
| Rate the franchisor's financial condition. |  |  |  |
| How thoroughly does the franchisor check its prospective franchisees? |  |  |  |
| Rate the profitability of the franchisor and its franchisees. |  |  |  |
| **Column Totals** |  |  |  |
| THE PRODUCT OR SERVICE | **1** | **2** | **3** |
| Is there a demand for the product or service? |  |  |  |
| How seasonal is the product or service? |  |  |  |
| Are industry sales strong? |  |  |  |
| Rate the product or service in comparison to the competition. |  |  |  |
| Is the product or service competitively priced? |  |  |  |
| What is the potential for industry growth? |  |  |  |
| **Column Totals** |  |  |  |
| THE MARKET AREA | **1** | **2** | **3** |
| Are exclusive territories offered? |  |  |  |
| Can you sell franchises in your territory? |  |  |  |
| Rate the sales potential of the territory you are considering. |  |  |  |
| Is the competition strong in this area? |  |  |  |
| How successful are franchisees in close proximity to this area? |  |  |  |
| **Column Totals** |  |  |  |
| THE CONTRACT | **1** | **2** | **3** |
| Are the fees and royalties associated with the franchise reasonable? |  |  |  |
| How attractive are the renewal, termination and transfer conditions? |  |  |  |
| If the franchisor requires you to purchase proprietary inventory, how useful is it? |  |  |  |
| If the franchisor requires you to meet annual sales quotas, are they reasonable? |  |  |  |
| **Column Totals** |  |  |  |
| **FRANCHISOR SUPPORT** | **1** | **2** | **3** |
| Does the franchisor help with site selection, lease negotiations and store layout? |  |  |  |
| Is the training programme effective / does the franchisor provide ongoing training? |  |  |  |
| Does the franchisor provide financing to qualified individuals? |  |  |  |
| Are manuals, sales kits, accounting systems, purchasing guides provided? |  |  |  |
| Does the franchisor sponsor an advertising fund to which franchisees contribute? |  |  |  |
| How strong are the franchisor's advertising and promotional programs? |  |  |  |
| Does the franchisor have favourable national contracts for goods and services? |  |  |  |
| **Column Totals** |  |  |  |
| **Total Scores** |  |  |  |