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FRANCHISE SELECTION - TARGETING & RESEARCHING SUITABLE BRANDS

Purpose

This worksheet has three parts:

- **“My Target Franchise”** helps you build a profile of the types of brands that may be best for you
- **“Franchise Selection Criteria”** is a checklist of brand attributes to look for and consider
- **“Franchise Search Websites”** links you to sites offering information on various brands

To be frank, the do-it-yourself approach to franchise selection is often frustrating and futile; many folks get overwhelmed by the financial, legal and selection considerations involved.

Working with a certified franchise consultant - whoever it may be - saves you time, reduces your risk and helps you invest with confidence. In fact, individuals who work with a consultant are up to 28 times more likely to invest in a franchise than DIY'ers!

It is similar to house-hunting on your own rather than working with a realtor.

Nonetheless, we recognize there are many folks who, at least initially, would prefer to try on their own. Hopefully this information will provide you a faster, more sure-footed break from the starting gate. After all, the ultimate goal is to help you make a smart choice on your way to achieving your dream of owning your own business - regardless of how you get there!

My Target Franchise

This section helps you build a profile of the types of franchises that may be good fits for you. This exercise is similar to what you'd do if you were buying a home. Before looking, you'd likely make a list of your desired attributes - such as location, size, amenities, price range, school district and so on.

Same here. Once you complete this profile, you'll be able to search online more precisely for your preferred franchise brands. You can compare what they are touting about themselves to the attributes in your profile. If you determine there's a match (or darn close), you can contact the brands directly and do a deeper into your discovery process.



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Use this Target Franchise Profile to “comparison shop” online and find brands that check your boxes:

Brand Attribute	Your Preference	Comments
Price Range		Calculate how much you can afford
Franchise Fee Discount		Ask, if you're a veteran or 1st responder
Location		City where you'd like to operate
Industry Type		List of key industry segments
Ownership Structure		Owner Operator or Semi-Absentee
Ownership Model		Single vs. Multi-Unit Investment
You Top Skills		Leverage them with the right brands
Emerging or Established Brand		Pro's & Con's of each
Month/Year To Open By		Have a goal in mind to stay focused

Save Time, Get a Better Picture of Your Ideal Franchise!

- A scientifically developed business-personality assessment is available - free of charge - to help you learn the types of franchises most compatible for you
- The instrument takes into account your skills, values, workstyle, risk tolerance & other factors to personalize your profile
- It takes only 10 minutes and results are emailed directly to you
- The information you get can be added to the chart above to give you a richer definition of your best franchises

If you'd like to take the assessment for free and have results emailed to you, [visit this website page](#)

Franchise Selection Criteria

As you review franchise brands, pay close attention to these attributes. You may not be able to get complete information online, but if you pursue a direct dialogue with your favorites you should probe into these items:



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Brand Attribute	Comments
Leadership / Executive Team	Look for a strong record of performance within the sector & deep experience in franchising. Press on their vision for the next 10 years; does it inspire you?
Financial Performance (aka "Unit Economics")	Most brands release financial performance data in their annually updated Franchise Disclosure Document. You'll be able to compare across brands. The ideal trifecta is a brand whose locations average \$1M+ in revenue, \$100,00+ in operating income (EBITDA) & 2:1 revenue:investment cost ratio. See our blog: "How Much Can I Make?"
Market Uniqueness	Does the brand have a uniqueness or niche to stand out from competitors? Is it a service/product consumers want? Do you believe you can sell it?
Ownership Structure	Can the brand accommodate your preference for owner-operator or semi-absentee? If the latter, exactly how much work should you expect to put in?
Training & Support	Should offer ongoing business & operational training plus an assigned success coach you can directly engage with whenever needed.
Franchisee Satisfaction	You'll be able to speak directly with franchisees during your Discovery process with each brand; good time to take their pulse. They'll be frank.
Organizational Culture	You'll be able to get the brand's vibe as you talk to executives and franchisees during Discovery. Does it feel like a place where you'll fit in?
Financial Strength	The Franchise Disclosure Document includes 3 years of financial statements about the brand; assess if they're on solid footing to support you long-term
Failure Rate	Every brand must disclose how many locations have closed over the past three years. Use the Franchise Disclosure Document Item 20 to compare brands.
Availability & Scalability	Is territory available in your desired market? Can the model scale to allow you to own multiple territories and hit strong topline revenue totals?
Marketing	What type of advertising & customer acquisition support will you get? Some excel at generating leads for you; others rely on you to do a lot of local networking and guerilla marketing - are you okay with that?
Pre-Opening Support	From site selection & business set-up to training, marketing and 1st 100 days of operation, how much support will you get to ensure a strong start?
Staffing	What type of labor will you need, and how much of it? What type of training does the franchisor provide to make your job easier?



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Franchise Search Websites

If you google, you will find dozens of websites and aggregator portals that list hundreds upon hundreds of franchise brands. Beware that these sites are marketing-driven, intended to help every brand look it best to entice you to contact them.

Plus the sheer number of options can cause you to easily spend long hours and come away feeling overwhelmed and more confused than when you started. Nonetheless, these are the more reputable sites that you will find most useful for your search:

Website	Comments
International Franchise Association	The industry trade group plays no favorites and provides a balanced view of your options
Franchise Business Review	The industry's equivalent of Consumer Reports; particularly helpful are their surveys of franchisee satisfaction within many brands
Krokit	This subscription-based site offers detailed financial information about most brands and allows you to compare them head-to-head, akin to the Morningstar website for mutual funds

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