

## 3 5 Things You Must Do Before Buying A Franchise



**Homework** needs to become your *friend*...

When your interest level in a particular franchise opportunity gets to a high level, it is time to start focusing on the franchise due diligence process. If you know how to thoroughly research and vet a franchise, your risk will be lowered, significantly. If you rush through your due diligence, or skip a step in the process, you are risking financial failure.

**Here are the top 3 5 things you need to do:**

- **Request the FDD** from the franchisor. (Franchise Disclosure Document) This used to be called the UFOC.

*The **FDD** is the document that the franchisor will be giving you to review. This is the most important thing that you will be receiving from the franchise company that you are investigating. It may come in the mail, but most likely you will be given an access code to use on the franchise company's website in which you can access the FDD at your convenience. The FDD has all the data about the franchise company.*

- **Read** the FDD, from cover to cover. Boring stuff. *Really boring stuff.* It's really important that you read it from cover to cover. Write questions down as you go. It is ok to write on it. {If you read through this rather large document, and have no questions, then you should be afraid. *Very afraid.*
- **Commit to calling 10-12 franchisees** of the franchise company that you are interested in. Calling this many franchise owners will enable you to find happy ones, and unhappy ones. The most important question you need to ask: "If you could do this all over again, would you invest in *this* franchise?"
- **Do you feel that the franchise you now own has the potential to become a fad?** Caution; this question may cause the franchisee to start sweating a little, but after he or she recovers from it, the answer should cause *you* to *not sweat*. At all.

- **How is their technology?** Do they charge you for major software upgrades?  
*{Actually, a better question may be do they even have software upgrades?}* Kidding. Franchisors today should be tech savvy. They should have an in-house techie or two, and have the ability to jump into the latest trends, rapidly.

These questions are a great *start*. My eBook (At [www.FranchiseResearchSteps.com](http://www.FranchiseResearchSteps.com)) goes into more detail about the FDD. **Plus you'll learn;**

- **How to find out how much you'll make as a franchise owner,**
- **Where to apply for a loan,**
- **How to choose an attorney,**
- **What questions to ask. There's two full pages of them that you need to ask your franchise salesperson, and the franchisees, **before** you sign on the dotted line.**