

Questions to Ask Franchisees

Before purchasing a franchise, talking to a current franchise owner could help you decide whether to buy a franchise or not. If a franchisee has agreed to talk to you, here are some suggested questions you may ask. Feel free to add or delete from the list.

Franchisee Name:
Phone Number:
Date:

Franchise:
Email:

1. How long have you been in business?
2. What were you doing previously?
3. What made you choose this franchise?
4. How has it been going for you?
5. How would you rate your relationship with the franchisor?
6. How would you rate the initial training?
7. How would you rate the ongoing support?
8. How would you rate the marketing programs?
9. Are you aware of any franchisees who are unhappy in this business? Do you know why?

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Questions to Ask Franchisees (continued)

- 10. How difficult is it to find, train and retain employees?

- 11. How do you compensate your employees? Benefits? Paid time off?

- 12. Would you mind sharing with me what you expect your annual revenue to be for the year? How does that break down amongst the products/services?

- 13. Can you tell me roughly what percent of that will drop to your bottom line?

- 14. Approximately how much per year do you spend for:

Advertising/Marketing		Uniforms	
Insurance		Supplies	
Rent/Utilities		Other	

- 15. What are your costs of goods sold as a percent of sales?

- 16. How much could I reasonably expect to gross/net in first year, second year, and third year?

- 17. What do you like best and least about this business?

- 18. If you had it to do over again, would you buy this franchise?