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Franchising Your Business - Back to Basics

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Every once in a while, it is useful to stop what we're doing and examine how we are doing it, to see if we have gotten into bad habits or become stuck in the proverbial rut in terms of efficiency. In our case, that means going back to basics and looking at how we talk to people about the fundamental question they have that brings them to our door: can my business be franchised?

As franchise attorneys, we deal with franchising in many different contexts: people acquiring a single franchise or multi-unit franchise rights; franchise litigation; advising established franchisors on various aspects of running their business; but the heart of what we do best is advising people on the development of their business model into a franchise system. To do that, we sit down with people and carefully examine with them exactly how their business runs, with specific reference to the following questions:

- Do you have a proven business concept?
- Do you have a strong brand – memorable and highly regarded?
- Is your business concept unique – different from competitive businesses?
- Is your model replicable and can it be taught to others?
- Does your business have an expandable appeal – regional, national or even international?
- Have you established a savvy, experienced management team?

If you examine any knowledgeable [list of successful franchises](#), you will find that each one of them will grade highly in these areas.

Before we get to drafting franchise disclosure documents (FDD), discussing financial performance representations or discussing any of the specific Items that must be included in an FDD, we have to determine if the business in question can meet these criteria. And they all must be present if the franchise system is going to be a success. All of these components do not need to exist at the time we have this discussion, but they must be achievable.

Just because a business is successful, even highly successful, does not mean it is necessarily a good candidate for franchising. The business model must be something that can be re-created multiple times in different environments and

still be successful. Moreover, reasonably intelligent people with some business experience must be able to be taught how to locate a site, open an outlet for this particular model and run it without an extraordinary amount of training. If the franchisees are not successful, the system will fail. If the franchise units are not affordable, no franchises will be sold. These are immutable business laws that will govern their success or lack thereof.

Do you own a successful business? Have you thought about expanding it via a franchise model? Come in and discuss it with us. We can tell you whether the opportunity is viable or not.