7 Tips for Getting the Information You Need Before Becoming a Franchisee

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You've done your research online and have a sense of the franchise that most interests you. You are drawn to what the business does, and you've had great conversations with the franchisor about how all the pieces of the business work together—operations, marketing, technology, real estate (if applicable) and overall brand management. You are chomping at the bit to ask franchisees what it's really like to be an owner, and to learn if the lifestyle and income potential match your entrepreneurial dream.

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You're on the right track: Speaking with current franchisees to validate everything you've learned about the franchise is the crux of your investigation. Your franchise representative will give you a clear signal when to reach out to franchisees.

Here are seven keys to successfully gathering the facts and figures you desire from validation:

1. Speak with five or more franchisees

As a franchise coach, I encourage franchise candidates to speak with a *minimum* of five current owners. If you are checking out multiple franchises at the same time, it's a good

idea to narrow your options to the two top contenders before validation. This will save you time and effort and make the deep dive into the details more manageable.

2. Respect the discovery process

Doesn't it make sense to first understand the basics about the franchise, so that you know what the franchisees are talking about, and you can ask insightful questions? What a missed opportunity to have franchisees explain to you how it all works, when you could be asking them questions the franchisor can't answer such as, "Did you find the training to be comprehensive, and did it allow you to be successful in an industry new to you?" You've heard about the training from the franchise development representative. Now you can hear what franchisees think about it, the support provided and all the other important aspects of the franchise.

3. Prepare your questions

A good franchise consultant helps you create a list of questions. A short list of 10-to-12 meaningful questions will aid you in validating the franchise's training and support mechanisms, its operational processes and the viability of the business model and marketing strategy. Pro tip: Asking just this one question will shed lots of light on the opportunity: "What's a day in the life of a franchisee like?"

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4. Respect the fact that "time is money"

Since franchisees are *volunteering* to speak with you, be respectful of their time by being informed and well-prepared. It may be helpful to email your questions in advance of a

scheduled phone appointment. Some franchises have regularly scheduled group validation conference calls, with a franchisee who volunteers to host the call. This makes validation efficient for everyone.

5. Look for trends

Avoid allowing the comments of one franchisee to outweigh valuable input from others. When you come across someone whose opinion is an outlier, whether positive or negative, ask questions to see if this individual is executing on what he or she was trained to do, and closely following the systems that minimize cost and drive revenue. Find out why this person's results are not the norm. This will aid you in determining if there are issues you should investigate, either on the side of the franchisor or that of the franchisee.

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6. Know your numbers

Franchisees are individuals with different skills, goals and motivations. Although everyone took the same training, expect variation on the part of franchisees when it comes to execution and to their financial results. Learn what key performance indicators they use to monitor their businesses. Spend time understanding what drives revenue and how long it takes to break even. Obviously, you want to learn what the income potential is as well as understand costs and operating expenses. After gathering financial information from a variety of franchisees, analyze it, then make your own projections based on what you want to achieve with your business.

7. Build bridges

If you are awarded a franchise, the people you connect with during validation will be your peers. They can be a wonderful

resource to you and may play a valuable role in your success. Thank each franchisee for his or her time and wrap up all your validation calls in a timely manner so you can head into the final phase of the discovery process – attending a Discovery Day or a Meet the Team Day, as these events are sometimes called.

The quality of the facts and figures you gather during validation will play a vital role in helping you determine if a specific franchise is right for you. Following these seven tips will assist you in getting the best information possible when making that decision.

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