Smart Tips for Successfully Navigating the Initial Franchisor-Franchisee Interview

Once you have a few franchises in mind, you'll be talking to a franchise rep from each company. Here's the skinny on how that phone call should go.

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The following excerpt is from Mark Siebert's book The Franchisee Handbook: Everything You Need to Know About Buying a Franchise*. Buy it now from* Amazon | Barnes & Noble | Apple Books | IndieBound

Once you have a short list of franchise companies you're planning to investigate further, the real work begins. The first step? The initial franchisor/franchisee interview.

Once you let a franchisor know of your interest, in most cases, you'll be subjecting yourself to their process. And many franchisors will judge your candidacy, at least in part, based on your ability to follow that process.

Typically, it begins with a call between you and the franchisor's development officer. On this call, the development officer will generally want to start by qualifying you. They'll want to explore your ability to afford the franchise, find out what motivates you, learn a little about your skill sets, discuss your deadline for deciding and, in

all likelihood, set an agenda (often with a specific timeline) for your decision-making process. The purpose of that agenda is to keep the decision-making process moving forward while giving you and the franchisor a chance to decide whether you make a good match.

On that call, and during any interactions you have with your franchisor, be sure to answer honestly. If you understate your net worth, for example, you may find yourself disqualified. If you overstate it, you may be in for a disappointment several weeks further down the buying process. And since you'll likely be interviewing multiple franchisors, you should take notes on what was said in each call, lest these conversations all begin to run together.

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If you tell the salesperson you're looking to buy a franchise a year from now, she may well suggest you begin the sales process in nine months, when you're closer to deciding. She doesn't want to spend her time educating you about a territory that may be sold by the time you're ready to buy and would rather spend her time on prospects who are in buy mode. Remember, if she asks you if you'll be ready to decide in 12 or 14 weeks (which is often the approximate timeline), you're only committing to making a decision — not what that decision will be.

After the initial call, typically the franchisor will send you some additional material on the concept. Often this will be a brochure or an e-brochure, perhaps a video, and a FAQ. Also included will be a confidential information request form (or CIRF, although some franchisors may just call it an application) that will provide the franchisor with more details on your qualifications. The typical CIRF will ask for contact information, educational background, business experience, income, balance sheet information, banking

information and references; it will also ask you to provide a release so the company can complete a background check. Generally speaking, the franchisor will want you to fill out that form as a first step in the process and will schedule a second follow-up call after you agree to complete it.

While a skeptic might see this form as intrusive, it’s an important step in the process. It’s in the best interests of both you and the franchisor to ensure you’re financially and experientially qualified to be a franchisee. And again, the franchisor sees your ability to follow this process as a test of how closely you’ll be able to follow its system of operations. You should fill out this form as accurately and completely as possible. And remember, the CIRF doesn’t commit you to anything; it simply allows the process to move forward.

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After you’ve completed the CIRF, the franchisor will typically schedule a series of steps in the sales process, which will help you educate yourself about the franchise. The best franchisors will encourage you to say no at any point in this process if you decide against investing in the franchise.

The first such step might be a call to review the completed CIRF together, to be sure the franchisor understands your answers. As part of that step, the franchisor may want to review the franchise offering in a little more detail with you, using the brochure or other information. Subsequent steps may involve answering questions about the franchise, providing you with a copy of the franchise disclosure document and making a subsequent call to review that document, discussing your franchise territory, walking you through the process of getting financing, introducing you to various members of the franchisor’s team, and ultimately inviting you to a face-to-face meeting at the franchisor’s headquarters (which is often called Discovery Day). Generally, the franchisor will be asking you for a decision shortly after Discovery Day.

Depending on the length of your short list, remember that you'll be going through this process with several franchise companies at the same time. When you decide against a franchise, let their salesperson know as soon as possible and continue the process with your narrowed field.

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