

Agenda

- Business Ownership Options
- Franchising
- Questions and Answers

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Ever Considered Business Ownership?



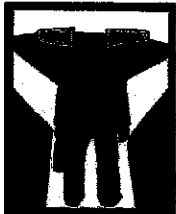
- 75% of people in the United States have a strong desire to be self-sufficient.
- Only 5% of these people make it happen on their own.

WHY?

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What Are My Career Options?



Self Employment

- Starting an independent business
- Purchasing existing business
- Owning a franchise

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Starting a Business from Scratch



To succeed you must have:

- A marketable product or service
- The know-how to manage and operate a business
- The ability to create a plan
- Money and expertise
- Desire to go it alone
- Ability to take risks
- Good luck

However, there are people who thrive in this environment.

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Independent Business Failures

Whether you start or buy an existing independent business, you face the same risks.



According to the Department of Commerce, 50% of independent businesses fail in their first year, and only 18% make it to 10 years

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Why Do Independent Businesses Fail?



There are many reasons for failure:

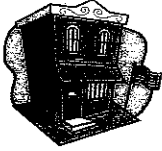
- Owners may not meet the requirements previously discussed
- Falling victim to The E Myth - "Doing what you know, love and enjoy will bring success" but results in:
 - > Being "a technician"
 - > Working "in" instead of "on" the business
 - > Buying ourselves a job
 - > Closing up to new possibilities and gravitating to the comfort of what we know.

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Buying an Existing Business - Benefits

However, buying an existing business presents the benefits of:

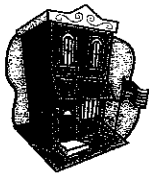


- An established track record and reputation
- Existing customers
- Existing cash flow
- Goodwill
- Lower perceived risk

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Buying an Existing Business - Problems



- Finding the right business to buy at the right price.
- You face the same requirements as for all independent businesses.
- The value of the business may have peaked.
- May not know the whole story (2 sets of books)
- May be more expensive – hard to determine real value.

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Franchising Characteristics

- Characteristics of Franchising
 - Use of trademark, name, etc.
 - Interdependent relationship
 - Franchise fee
 - Total investment
 - Royalty payments
 - Advertising fees
 - UFOC (Uniform Franchise Offering Circular)
 - Independence & Flexibility




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Franchising Support

- **What do you get with the fees?**
 - Marketing assistance
 - Training
 - Software
 - Equipment
 - Site location assistance
 - Build out assistance
 - Operational growth plans
 - Operation System



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Franchising – What's out there?

- **Over 3500 options with 100-200 new each year**
- **75 different industries**
- **Different business models – home based, retail, B2B**
- **Business diversity – focused products and services**

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Franchising – Different levels

- **Single unit**
- **Multiple units**
- **Area Manager / Master Franchise**

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Franchising High Success Rate

Why is franchising so successful?

- A proven business system
- Training and ongoing support
- Being in business for yourself, but not by yourself
- Win-win relationship ... starts with mutual benefits and grows from there



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How Successful Is Franchising?

According to a Gallup Poll



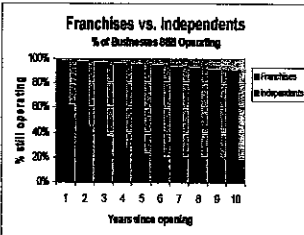
- 92% of franchisees considered their franchise operations successful
- 65% knowing what they do now, would own the exact same franchise

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Franchising vs. Independent Businesses

Department of Commerce



- A new franchise location opens every 8 minutes of every business day in the United States.
- Only 18% of independent businesses make it 10 years.
- 90% of franchised business make it 10 years.

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Any Questions?



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