

Franchise Comparison Work Sheet

Use this work sheet to help you determine the attractiveness of each franchise you are considering. Assign each franchise a column number. Answer each question along the left-hand side of the form, assigning a rating of 1-3, with 3 being the strongest. Total each column after you've finished. The franchise with the highest score will be the most attractive.

The Franchise Organization	Franchise 1	Franchise 2	Franchise 3
Does the franchisor have a good track record?			
Do the primary leaders of the franchise have expertise in the industry?			
Rate the franchisor's financial condition.			
How thoroughly does the franchisor check its prospective franchisees?			
Rate the profitability of the franchisor and its franchisees.			
Column Totals			

The Product Or Service	Franchise 1	Franchise 2	Franchise3
Is there a demand for the product or service?			
How seasonal is the product or service?			
Are industry sales strong?			
Rate the product or service in comparison to the competition.			
Is the product or service competitively priced?			
What is the potential for industry growth?			
Column Totals			

The Market Area	Franchise 1	Franchise 2	Franchise 3
Are exclusive territories offered?			
Can you sell franchises in your territory?			
Rate the sales potential of the territory you are considering.			
Is the competition strong in this area?			
How successful are franchisees in close proximity to this area?			
Column Totals			

The Contract	Franchise 1	Franchise 2	Franchise 3
Are the fees and royalties associated with the franchise reasonable?			
How attractive are the renewal, termination and transfer conditions?			
If the franchisor requires you to purchase proprietary inventory, how useful is it?			
If the franchisor requires you to meet annual sales quotas, are they reasonable?			
Column Totals			

Franchisor Support	Franchise 1	Franchise 2	Franchise 3
Does the franchisor help with site selection, lease negotiations and store layout?			
Is the training program effective and does the franchisor provide ongoing training?			
Does the franchisor provide financing to qualified individuals?			

Are manuals, sales kits, accounting systems,and purchasing guides provided?			
Does the franchisor sponsor an advertising fund to which franchisees contribute?			
How strong are the franchisor's advertising and promotional programs?			
Does the franchisor have favorable national contracts for goods and services?			
Column Totals			
Total Scores			