



9

Pitfalls to Avoid

WHEN FRANCHISING

YOUR BUSINESS



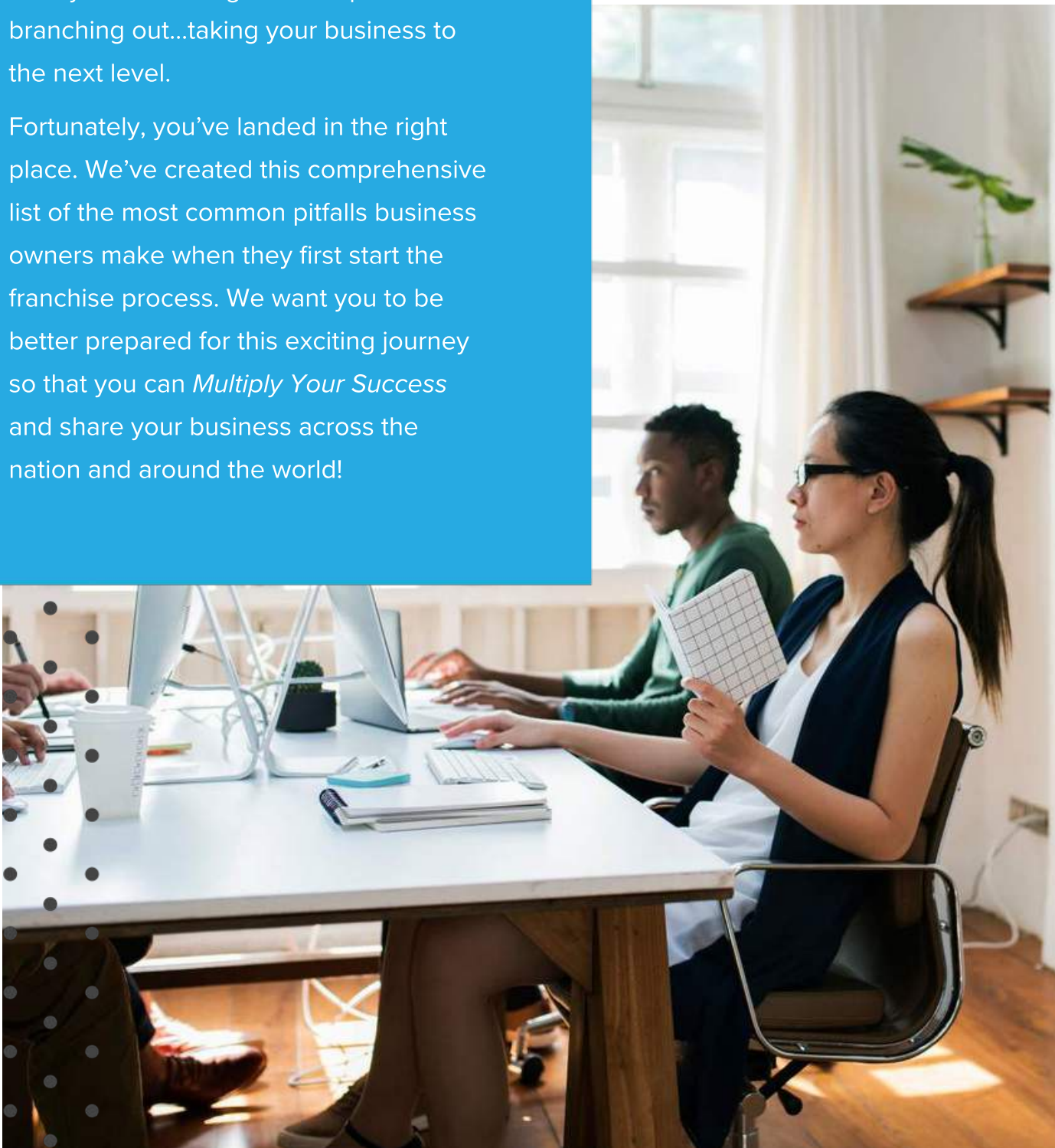
Big Sky
FRANCHISE TEAM

CONSULTING | DEVELOPMENT | MARKETING

Your business is great, your brand reputation is top-notch, and you've created a solid business process.

Now you're thinking about expansion... branching out...taking your business to the next level.

Fortunately, you've landed in the right place. We've created this comprehensive list of the most common pitfalls business owners make when they first start the franchise process. We want you to be better prepared for this exciting journey so that you can *Multiply Your Success* and share your business across the nation and around the world!



Without further ado, here are the
9 COMPLETELY AVOIDABLE Pitfalls
When Franchising Your Business.

#9 GET RICH QUICK THINKING

Thinking about franchising with a “get rich quick” attitude is the wrong mindset to go into franchising. If you meet with franchise consultants or franchise experts promising you that you can quickly and easily sell a large number of franchises, you should run away. Franchising takes time, and the high-growth franchise companies are the exception, not the norm. Catching lightning in a bottle through franchising is possible, but the typical expansion is slower growth in the beginning, followed by faster accelerated growth, and then a leveling off for a mature brand.



#8 DIY: DOING IT ALL YOURSELF



You know how to run your business, but unless you're in the business of building franchises, don't make the mistake of thinking you can tackle this all yourself. If you have a CPA to prepare your taxes or have hired an electrician, then you understand the value of having experts to help you with specialized needs. Hiring professionals to help you franchise your business will provide you the guidance you need to avoid costly mistakes and save you months or years of time trying to figure it out on your own.



Did you know we have a weekly podcast called [Multiply Your Success?](#) Each week we interview leading entrepreneurs, executives, and experts to give you a weekly dose of inspiration and education to guide you as you Multiply Your Success.

To listen and subscribe through your favorite podcasting service,

[CLICK HERE >](#)

#7 GIVING UP EQUITY TOO EARLY

Consider partner equity a last-resort option. Even if you're only giving up a small amount of your business now, this will eventually cost you a greater amount of money in the long run. Another challenge when giving up equity early is that you are now giving yourself a new boss who is likely to be focused on returns and cashing out at some time. It may sound small, but most entrepreneurs enjoy being their own boss. If your company is stable, healthy, and enjoying growth, utilizing operating cash flow or even a small business loan may be a better option.



#6 INCONSISTENT OR ABSENT FRANCHISE MARKETING & LEAD GENERATION

A primary duty when you franchise your business is to recruit new franchisees into the system. It is a shame when we see businesses go through the franchise process only to run marketing for a few months and give up shortly thereafter. Don't let the "if you build it they will come" mentality take over in your franchise sales efforts. This is a long-term strategy. You will need to create a franchise marketing and lead generation plan, consistently implement it, and make adjustments if you want to generate leads of interested and qualified franchise buyers.



#5 HIRING THE WRONG ATTORNEY

Hiring an attorney is important when it comes to the legal documents and other franchise registration requirements. When considering an attorney, retain an experienced franchise lawyer who is familiar with the legal documents of franchising AND is comfortable collaborating with other franchise consultants. Remember, you are building a team to support you, and collaboration is important to help provide you with the best support. You will also need your franchise attorney to support your annual franchise renewals, franchise state registrations, franchise closings, and future franchise legal needs.

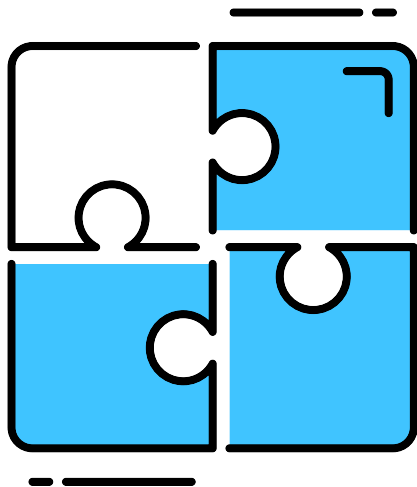


#4 FORGETTING THE START-UP MINDSET

When you franchise your business you are starting a new company. You are now in the business of selling franchises of your brand and it is important to remember what it is like to be a start-up. If you are like most entrepreneurs, when you started your business you probably worked hard and did whatever it took (ethically of course) to get some initial traction. It is important to get back into that mindset. While you are not at ground zero again, you are starting a new company. You will need to work hard, make adjustments, and persevere as you launch your franchise efforts.



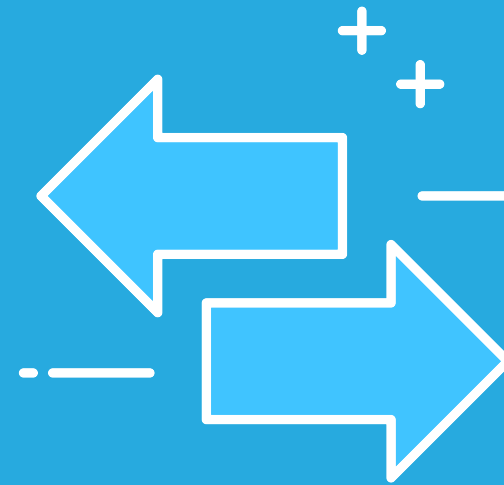
#3 NOT HAVING A FRANCHISE SALES PROCESS



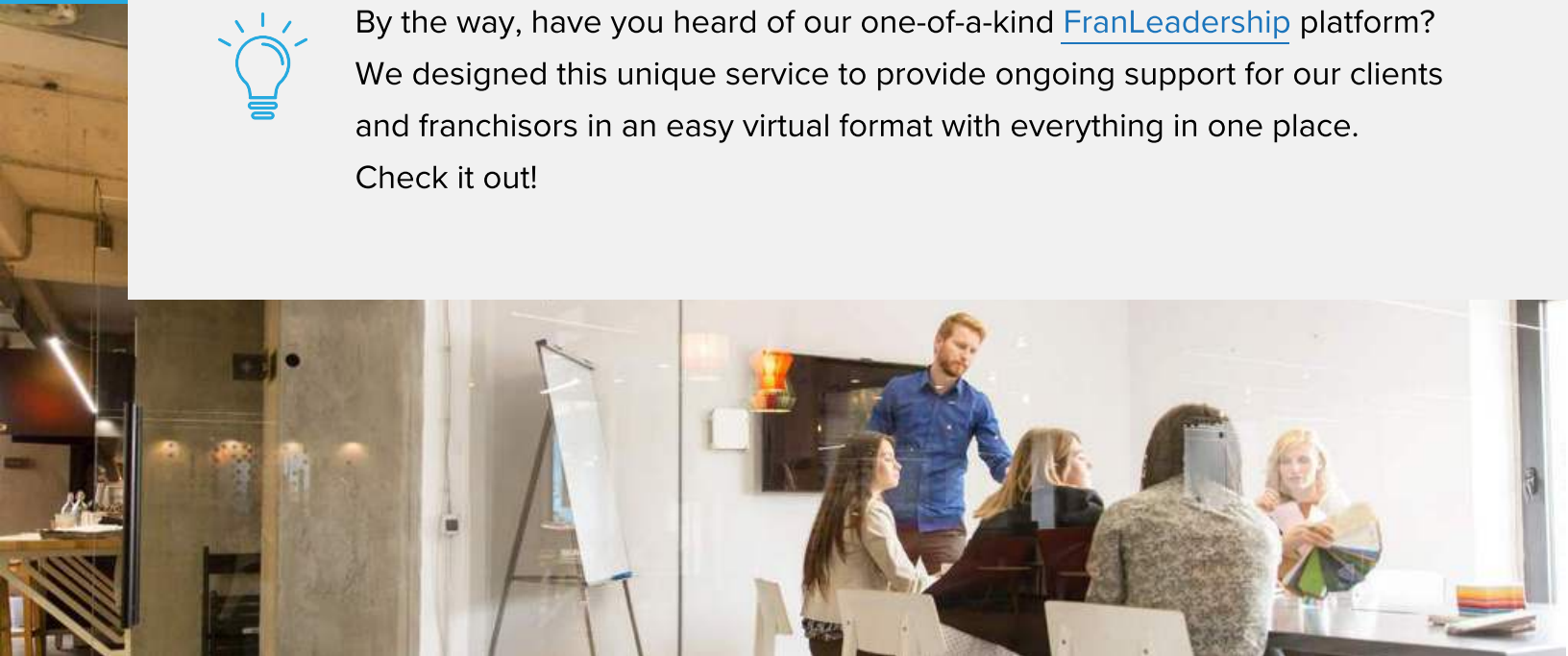
Too often, new franchisors think that selling a franchise is like selling their primary product or service. Remember, you are selling a business to someone. Buying your franchise is going to change someone's life. This life change for the buyer is part of the reason why the franchise sales process is long, typically taking 3 to 6 months. Additionally, there are legal requirements and rules around the franchise sales process dictating, for example, what you can say and cannot say. Having a planned and thought-out process to address each of the steps from the first call, the franchise disclosure, the discovery day, the closing, and every step in between in the franchise sales journey will be critical to your success.

#2 NOT PROVIDING ONGOING SUPPORT

Maintaining your investment in franchising happens through supporting your franchisees. Providing ongoing training and support will maintain appropriate standards and reduce future problems. Having regular review meetings, communication, and monitoring all provide ongoing guidance to help your franchisees improve and stay in the system longer. Franchisees are your brand ambassadors. They are responsible for the direct transmission of your brand values and quality of service to customers every day. Your success and their success are intertwined. From recruiting and training to your ongoing support, these efforts help ensure your franchisees' sustainability...and yours!



By the way, have you heard of our one-of-a-kind [FranLeadership](#) platform? We designed this unique service to provide ongoing support for our clients and franchisors in an easy virtual format with everything in one place. Check it out!

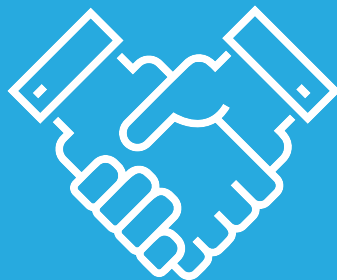


#1 NOT HIRING A REPUTABLE FRANCHISE CONSULTANT

Hiring the right consultant can be hard to sort out. You want to work with a proven consulting company with great experience and expertise. You will also want to work with a company that will treat you well and seeks to build a Win-Win relationship with you. Here are a few suggestions to help you in identifying the right franchise consulting company to guide you on your franchise journey.



- 1 Do the consultant's values align with yours?
- 2 Is the consultant encouraging a short-sighted "get rich quick" mindset, or are they focused on helping you build a long-term, sustainable franchise brand?
- 3 Is the consulting company you are considering a member of the International Franchise Association (IFA)?
- 4 Has the company received awards or recognition?
- 5 Does the consultant have a team to support you, or is it a one-person operation?
- 6 Does the consultant promise or imply that you will sell dozens or hundreds of franchises quickly and with ease? If so, verify the track record of such statements.
- 7 Does the consulting company offer franchise sales training and ongoing consulting to educate you on the franchise sales process?
- 8 Does the consultant require that you give up equity in your business to work with them?
- 9 Does the consultant require you to use their service providers (i.e., franchise attorneys), or are you free to find the best service providers for your business and budget?
- 10 Does the consulting company provide testimonials and a reference list of their previous clients?



We are confident in what we're doing when it comes to being your specialized guide in franchising your business.

Our purpose is to: **Inspire and Foster Greatness** and we achieve this by serving our clients through our core values of **Win-Win Relationships, Professional Excellence, and Continuous Improvement.**

Our team of consultants has worked with more than 600 clients and has received many awards and recognitions for being a top franchise consulting company. We hope that we are the best fit for you on your franchising journey.



Now that you have read over the 9 pitfalls, were there any that you've managed to avoid so far, or a couple that raised an eyebrow and made you think twice?

It is our sincere desire to inspire and foster greatness in you. We invite you to explore how our company can help you and schedule a free consultation.

We look forward to being your guide on your franchise journey.

Contact us today to schedule your FREE, no obligation, consultation through our website: BigSkyFranchiseTeam.com or by phone: 855-8-BIG-SKY (855-824-4759).

LET'S MULTIPLY YOUR SUCCESS!

SCHEDULE YOUR
FREE CONSULTATION >

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