



All About Funding your Franchise

If you are serious about considering a franchise, two things you need to begin to do – in parallel to your searching for a franchise – are learning about **how funding works**, and then starting the **process of securing financing** for your franchise purchase. Just as you needed to get “pre-qualified” before you purchased your home, so that you knew what you can afford, (and how much a financial services company would lend you,) you need to consider them when purchasing a franchise.

So why must this learning occur “in parallel?” Can’t you wait until you find the right franchise, *then* investigate financing? The answer to this is simple:

You can’t go hunting with an empty gun!

Your investigation process is going to take anywhere from 30 to 120 days. By the time you are ready to decide on a franchise you want to have your funding in place.

Depending on the funding source, this funding can take an additional 1-2 months. Do you want to learn AFTER you have your heart set on a particular franchise that you can’t quite afford it? Or do you want to learn that you can’t open your business in time for the peak holiday season – because you missed getting your franchise financed on time? Of course not.

For all of these reasons, the financing part of your business investment should be complete, or near completion, as you decide on a business. If not, this could delay your progress by months.

There are a variety of options available when it comes to financing your franchise including SBA & Conventional Loans, Cash-out Mortgage Refinances, 401k Loans, and more. In some cases the Franchise may offer in-house financing. Contact me today to learn more.



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Named to Franchise Times Top 200+ List

One of the home service concepts I represent is Screenmobile, so it was great to see that they made the Franchise Times Top 200+List. The distinguished list is based on their global system sales and number of locations. The acknowledgement of being named on this ranking verifies the exceptional growth the company has experienced in the past year. In 2018, they brand generated \$28 million in sales and added 17 new licenses. Currently they have 125 locations through the United States. Check out this article to [read more](#) about this great opportunity.



5 Things Every Entrepreneur Should Know About Risk-Taking

Taking risks is scary, whether you’re going all-in during a friendly game of poker or quitting your long-time career to pursue one of your promising business ideas. Most people tend to avoid risks when possible, because inaction is often safer than action, but most successful people will tell you they got to where they are because they were willing to take risks no one else was says Larry Alton.

In this article he discusses 5 things to keep in mind to field more comfortable taking risks and making more informed risk-based decisions. [Read more!](#)

Franchise Terminology.....Getting Clarity

Let's get clarity with common franchise terms! Below are five franchise terms and their definitions:



1. Franchisor

- The parent company that allows individuals to start and run a business with three key factors involved: using its trademarks, products and processes to do business, and involving a fee.

2. Franchisee

- An interdependent relationship with the franchisor. The individual purchases the right to operate a business under the franchisor's name and system.

3. Franchise Disclosure Document – FDD

- A legal document required by the U.S. Federal Trade Commission for franchisors to provide to prospective franchisees. FDDs are updated annually and consist of 23 sections, called items, which explain the company history, financial investment, obligations, unit data and more. It is required to receive an FDD prior to signing a Franchise Agreement.

4. Royalty Fee

- A fee paid to the franchisor. Often it is a percentage of sales but some franchisors have no royalty or a flat fee paid weekly, monthly, or yearly. Some franchisors also require a separate royalty fee to cover advertising costs.

5. Franchise Agreement

- The legal agreement between the franchisor and the franchisee. This written contract, included in the FDD, outlines the responsibilities and terms.

FOR MORE INFORMATION ON FRANCHISING PLEASE
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Referrals are always appreciated! Feel free to share my contact information with others who may be looking into a franchise opportunity.