

# 8 Pitfalls To Avoid

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What Every Franchisor Should Know, Saving You \$Thousands in Rework, Legal Fees and Lost Opportunity Costs.





The dirty secret in the franchise industry is 25% of franchise systems have *zero* units and only 39% have over 25 units. There is an alarming number of franchisors who don't grow past 5 units.

Why?

**The bottom-line -- Franchising is Complicated!**

Whether you are just starting out or you have been franchising for a while, going it alone without an experienced guide to help you along the way could cost you \$\$\$s.

Here are the 8 common pitfalls to avoid as you grow your franchise.



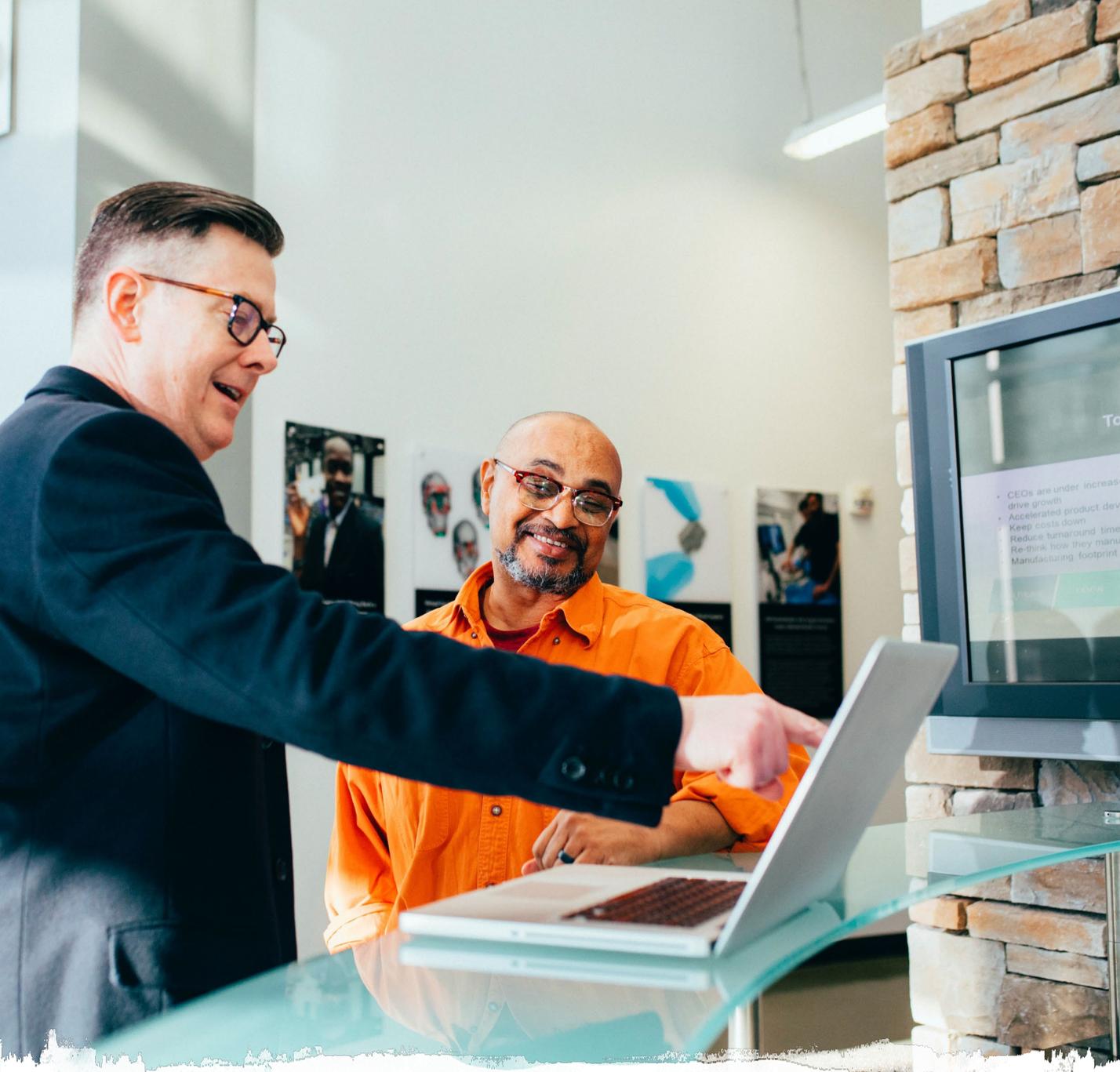
## Pitfall #1 Under Capitalization

Educate yourself about the true cost of starting a franchise system including development, management, and advertising. Starting the process without being fully funded could potentially be harmful to your business and brand.



## Pitfall #2 Poor Operations, Training, and Support

Do you have your systems and processes documented so they are easily replicated? Do you have a formal training curriculum and program? Telling new franchisees to “watch how we do it” is not a training program. The absence of a formal training program will lead to operational headaches and make for very unhappy franchisees. An unhappy franchisee makes it impossible to attract future franchisees.



## Pitfall #3 Selling Franchises to Survive

Selling in times of desperation can lead to some poor recruiting choices. Good brands need good franchisees. A good cultural fit is imperative to both the franchisor and franchise's success.



## Pitfall #4 Lacking the “Franchisor Mentality”

To succeed as a franchisor, your company must successfully transition its culture from a strong central authority to a decentralized-empowerment culture where decisions are made with the franchisees.



## Pitfall #5 Get Rich Quick Mindset

The initial franchise fee isn't your end game. Responsible franchisors have a long-term vision. They focus on future royalties by using the initial sales to develop new buyers into successful franchisees. Franchisors are profitable when their franchisees are profitable.



## Pitfall #6 Running a Sprint Not a Marathon

Franchising is a multi-year play. It takes time and effort to monetize intellectual property, attain royalty sufficiency, and build significant momentum.



## Pitfall #7

# Selling an Idea, Not Business

Savvy buyers don't invest in ideas; they invest in results. An attractive franchise has a proven model with support programs that make it easy for the franchisee to replicate. Franchise buyers want a profitable, long-term investment.



## Pitfall #8 Being Unprepared

Many franchisors try to sell franchises before they're "franchise-ready." Be knowledgeable and ready to commit to the time, effort, and investment that goes into creating a successful franchise system before you launch.

In franchising, it's what you don't know that costs you money and harms your business.

If you have a vision to grow your business into a national brand through franchising, then don't go it alone. You wouldn't build a house without an architect, so why would you build your franchise system without an experienced franchise consultant.

**We simplify the franchise process and give you the confidence needed to thrive in the franchise world. It all starts with a phone call.**

1.

### **Schedule a Call**

Let's talk about your goals

2.

### **Book a Discovery**

Providing you a customized roadmap to reach your franchise goals.

3.

### **Grow Your Brand**

Putting it altogether so you can grow your brand regionally, nationally or even internationally.

[Schedule a Call](#)



Schedule a call with John & Lisa and learn how you can protect your investment.

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