

# Franchise Activity

You are an entrepreneur looking for a business to start up. Assume that you have financial backing and the educational and business experience needed for this venture.

Research and evaluate a franchise opportunity that is of interest to you. (other than McDonalds)

Provide the answers to the questions listed here.

Bonus points will be awarded for an interview with a franchise owner.

## Ten Questions to Ask Before Signing a Franchise Agreement

1. What does the initial franchise fee cover? Does it include a starting inventory of supplies and products?

2. How are the periodic royalties calculated and when are they paid?

3. Are all trademarks and names legally protected?

4. Who selects the location of your business?

5. Are you assigned an exclusive territory?

6. If the territory is not exclusive, does the franchisee have the right of first refusal on additional franchises established in nearby locations?

7. Is the franchisee required to purchase equipment and supplies from the franchisor or other suppliers?

8. Under what conditions can the franchisor and/or the franchisee terminate the franchise agreement?

9. Can the franchise be assigned to heirs?

10. Who provides and pays for advertising and promotional items?

Do you think that buying this franchise would be a viable option for you?

## FRANCHISES

