

# Disadvantages of Franchise Ownership

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Some aspects of becoming a franchise owner can be disadvantages. It is important to establish you are suited to the concept of a franchise before moving forward.

## Restrictions

Franchisors must protect their brand, so requirements for franchisees can be stringent. Although you own your business and are responsible for its ultimate success or failure, you do not have complete freedom to run it as you wish. Since many the established processes are helpful, but if you prefer to make your own rules, franchising might not be for you.

## Cost

All that support comes at a cost. In addition to the costs you would incur with any business—rent, inventory, equipment and staffing—as a franchisee you will also have a franchise fee to pay as well as ongoing royalty and possibly marketing fees. Other costs beyond your control can be build-out and decorating requirements to maintain brand consistency. Before entering into an agreement with a franchisor, you should be sure you understand all the costs involved and have a plan to cover them.

## Lack of Support

The level of support provided by franchisors varies, and you should take care to understand what to expect when you buy a franchise. Review the Franchise Disclosure Document carefully and have an attorney who specializes in franchising take a look as well. It might also be helpful to talk with other franchisees in your area about their experiences.