

Chapter 4:

QUIZ: What Matters Most to You? Creating a Filter for Franchise Concepts

How do you face 3,000 franchise concepts in the marketplace and narrow your choice down to just 1? For starters, I recommend speaking with a well-qualified and knowledgeable franchise consultant. In addition, create a cheat sheet you can use to quickly filter through concepts to see if they are well-suited to your objectives. Take the quiz below and follow the simple instructions at the end to develop one of your own. Feel free to check more than one line in a single category if you feel it appropriate.

1. **Engagement:** How engaged in your business do you want to be, up front and long term?

I plan to work full time.

I plan to be a semi-absentee owner.

On a scale of 1-10, how critical is this aspect of your business to you?

2. **Participation:** Do you want to participate in your business in a hands-on way?

Yes, I want to be part of daily operations and production.

Somewhat, I prefer an executive role rather than a sleeves-rolled-up part in operations.

No, I don't want any involvement in day-to-day operation.

On a scale of 1-10, how critical is this aspect of your business to you?

3. **Progression:** How do you see your role in your business changing over time?

For the foreseeable future, I want to work on growing this business and its success.

I want to use my business as a bridge out of my corporate job, taking on a more hands-on role over time.

I want to work in my business in the beginning, but eventually transition to an absentee-owner role.

On a scale of 1-10, how critical is this aspect of your business to you?

4. **Growth:** Do you want to scale the business over time?
- ___ I want to own and run a single unit and have no plans for long-term expansion.
- ___ I eventually want to add more crews or trucks or open multiple locations.
- ___ **On a scale of 1-10, how critical is this aspect of your business to you?**
5. **Income:** How much income do you need to create with your franchise investment?
- ___ The business I want to invest in and the scale I intend to reach will meet my financial requirements.
- ___ My business must meet my financial requirements and also become a valuable asset I can someday sell or transition to family members.
- ___ **On a scale of 1-10, how critical is this aspect of your business to you?**
6. **Location:** Where do you want to be—now and in the long term?
- ___ The business I want is available in my first-choice area, and there is room for territory expansion.
- ___ The business I want is available in my area of choice, but there is little chance of getting rights to expand or open more units.
- ___ The franchise concept I choose is not for sale where I want to live and work.
- ___ **On a scale of 1-10, how critical is this aspect of your business to you?**
7. **Status:** How important is the status of the business to you?
- ___ I want to be comfortable being associated with the franchise concept I invest in and the things it stands for.
- ___ I don't care what service or product the franchise provides, as long as it is profitable.
- ___ **On a scale of 1-10, how critical is this aspect of your business to you?**
8. **Family:** How do your family's needs and wants fit into your vision of franchise ownership?
- ___ The demands of this business must be compatible with my family's needs and goals.
- ___ The demands of the business on my family can be exhaustive, as long as I can foresee a time with more ease and less stress for them ahead.

___ My business must be a venture my whole family can be involved in.

___ ***On a scale of 1-10, how critical is this aspect of your business to you?***

9. **Schedule:** How will your schedule change to meet the needs of your franchise business?

___ I am willing to work any days or hours to get my business off the ground and make it a success.

___ I intend to work a regular business work week—Monday to Friday, 9 to 5—and need a business that works with that.

___ I must be able to manage my business in addition to the demands of my corporate career or other obligations. I can only allow it ___ hours per week.

___ ***On a scale of 1-10, how critical is this aspect of your business to you?***

10. **Purpose:** Do you want to make a difference in others' lives, develop and grow employees, and/or provide a beneficial product or service to customers?

___ Yes. I need to feel my business is a worthwhile endeavor that is in line with my personal beliefs and priorities.

___ Yes. I want my business to serve a greater purpose than just making money, but I believe I could achieve that through many different kinds of franchise concepts.

___ No. Business is business, and I can make a difference in other areas of my life.

___ ***On a scale of 1-10, how critical is this aspect of your business to you?***

11. **Risk Tolerance:** How do you plan to capitalize the business without exceeding your comfort zone?

___ I am willing to leverage anything, including my retirement savings or equity in my home, to get my business off the ground.

___ I am willing to leverage a percentage of my retirement savings and will not touch the equity in my home to reach my investment requirements.

___ I am open to personally guaranteeing a business loan or 5-year property lease.

___ I have set aside a specific amount of savings to invest in my business, and I intend to keep these funds completely separate from my personal financial dealings. I am not willing to put any of my additional personal assets on the line.

___ ***On a scale of 1-10, how critical is this aspect of your business to you?***

12. **Duration:** How long do you want to own the business?

___ I intend to own my business for the foreseeable future and am not concerned about an exit plan.

___ I intend to own my business for a set number of years and I can devise an exit strategy based on reasonable predictions for its performance.

___ I am only willing to enter into an investment that lends itself a clear exit strategy from the beginning.

___ *On a scale of 1-10, how critical is this aspect of your business to you?*

Creating Your Filter Sheet:

First, look back at your 1-10 ratings. Make a list of your 12 factors in the order of their priority to you (10s first, then 9s, etc.). If you gave multiple factors the same rating, compare them side by side and decide which is more important to you.

Second, beneath each item on your list (which is now numbered in order of priority), write your requirement for the category. If you checked more than one line in one category, write both.

Now, add tick boxes and space for notes and print off a few of these. Use one to evaluate each franchise concept you give serious consideration to. It should serve a function similar to that of a list of requirements for buying a house: maybe you *have to have* 4 bedrooms and a 2-car garage, *want to have* a fenced yard and electric heat, and *would like to have* a fireplace and a home office. Use the list you've created in this step to quickly and efficiently assess your *have to have*, *want to have*, and *would like to have* criteria for each franchise concept that appeals to you.

Want to learn more about assessing franchise concepts?

Let's talk about it.

E-mail me at _____ or call _____.

Pete Gilfillan

Franchise Consultant and Author of *HIRE YOURSELF*

Chapter 4:

WORKSHEET: Identify your Strengths and Weaknesses

Part of finding the right franchise for you is finding a concept that is a great match for your personal and professional strengths—and perhaps one that helps shore up the areas where you are less of a standout. Of course, another part of the beauty of going into business for yourself is that if you happen to be good at something but hate it, you can choose a different path and play to different strengths. For each quality in the sheet below, rate your strength from 1-5—using 5s for areas where you have an edge, and 1s for areas of potential weakness. Be honest; and if you're not sure how to assess yourself, ask someone whose opinion you trust—or look back through past job performance reviews. If you are hesitant to take on significant responsibilities in one of these areas, make a note of it, and discuss with your franchise consultant.

QUALITY	RATING 1-5: 5 represents a solid YES; 1 represents NO or DOUBTFUL
Leadership: When you lead, does anyone follow? Do people willingly cooperate and assist you? Are you comfortable being in charge?	
Communication: Are you able to connect with all different kinds of people, to say what you need to say and to be clearly understood—in writing and in person?	
Salesmanship: Are you able to confidently offer a service or product, explain its unique value, and help buyers see that they need what you have?	
Business Acumen: Do you have a solid understanding of financial numbers? Are you able to scan a basic financial statement and understand it? Do you have a reasonably high business IQ?	
Teachability: Are you willing and able to be open to new concepts, to explore the unknown, and to master new skills and concepts?	
Tech Savvy: Are you able to quickly master the ever-changing technology of business and marketing? More and more great franchise concepts are tied to hi-tech systems.	

Well-Connected: Do you know everyone who's anyone in your town or your industry? Good connections can make it easier to get almost any business off the ground.	
Uniquely talented: Do you have a special talent or qualification that might contribute to a particular business? Perhaps a degree, certification, or valuable experience?	

Want to learn more about how to leverage your skills in a franchise venture?

Let's talk about it.

E-mail me at _____ or call _____.

Pete Gilfillan

Franchise Consultant and Author of *HIRE YOURSELF*

Chapter 5:

QUIZ: Identifying a Great Concept: What's the Win/Win/Win?

For each franchise you consider, you should be able to easily recognize the components of its Win/Win/Win concept. Use this quick quiz to evaluate potential contenders:

What does this company do?

Who does the franchise serve?

What makes this concept unique from the rest of the marketplace?

What is the unique benefit of this franchise for the customers?

What made this company decide to franchise? (Correct answer: a winning concept so good it demanded to be shared and leant itself perfectly to large-scale replication.) Is this franchisor secure and successful?

How does this franchise concept translate to success and prosperity for its franchisees?

Want to learn more about how to identify a win/win/win franchise?

Let's talk about it.

E-mail me at _____ or call _____.

Pete Gilfillan

Franchise Consultant and Author of *HIRE YOURSELF*