

How to Use This Guide

This guide reinforces the Due Diligence & Evaluation micro-learning videos. Use it alongside the videos to help you systematically research and assess franchise opportunities.

It is designed to:

- Provide structured support for reviewing multiple brands
- Highlight key evaluation steps and common pitfalls
- Help you focus on facts and fit rather than marketing or emotion
- Serve as a printable reference to track your observations, questions, and insights

By following this guide, you'll build a strong foundation for informed, confident decisions and gain clarity on which opportunities align best with your goals, skills, and resources.

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 9

RESEARCHING FRANCHISE BRANDS

What This Covers

How to research franchise brands objectively after clarifying your industry and ownership interests. Focus on gathering information, comparing options, and avoiding premature emotional commitment.

Key Takeaways

- Research more than one brand within the same category
- Comparing brands highlights differences in investment, support, and business models
- Early research is about learning, not deciding
- Objectivity leads to better long-term decisions

Why This Matters

Many buyers become emotionally attached to the first brand they discover. Researching multiple brands helps identify patterns, set benchmarks, and separate facts from marketing.

Next Step

As you research, note similarities and differences in:

- Training and onboarding
- Ongoing support
- Fee structures
- Owner expectations

Reflection Prompt

- *What patterns do you notice across the brands you're exploring?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 10

USING FRANCHISOR WEBSITES EFFECTIVELY

What This Covers

How to use franchisor websites as an early research tool while understanding their purpose and limitations.

Key Takeaways

- Websites introduce the brand, not complete evaluation
- Designed to inform and generate interest
- Pay attention to business model, training, support, and owner expectations
- What's missing is often as important as what's included

Why This Matters

Franchise websites present a curated view. Treating them as decision tools can lead to assumptions and premature choices. Use them to identify gaps and form targeted questions for later stages.

Next Step

While reviewing websites, note:

- How the business model operates
- Owner types the brand is seeking
- Training and ongoing support provided
- Missing or unclear details

Reflection Prompt

- *What questions arise from what's missing on the websites?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 11

PRE-QUALIFYING YOURSELF

What This Covers

How to pre-qualify yourself before engaging with franchise brands by understanding financial position, timeline, availability, and ownership goals.

Key Takeaways

- Know approximate net worth and available liquid capital (rough numbers are fine — perfection isn't required)
- Most brands assess financial readiness early
- Clarify your timeline and desired involvement
- Consider partners and roles before inquiring

Why This Matters

Pre-qualifying reduces friction, avoids misaligned opportunities, and allows confident conversations. Rough numbers help reduce financial anxiety while providing a realistic starting point.

Next Step

Outline:

- General financial position
- Desired ownership role
- Timeline for entry
- Partner involvement, if any

Reflection Prompt

- *What financial details are most important for your first evaluation?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 12

VALIDATION CONVERSATIONS**What This Covers**

This lesson explains how to validate franchise opportunities by listening to current franchisees and focusing on real experiences, challenges, and support systems.

Key Takeaways

- Validation is about learning, not persuading yourself
- Ask thoughtful questions about day-to-day operations, support, challenges, and surprises
- Look for patterns across multiple franchisees rather than one standout story
- Consistency in answers provides valuable insight into the brand's operations and culture

Why This Matters

Validation conversations help confirm fit but do not guarantee outcomes. While they cannot eliminate risk, they allow you to make more informed and confident decisions. Vague or inconsistent answers signal areas that require deeper exploration.

Reflection Prompt

- *What patterns do you notice across franchisees' experiences, and what questions do this raise for you?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 13

SUPPORT VS. INDEPENDENCE**What This Covers**

Understanding the difference between franchisor support and franchisee responsibility.

Key Takeaways

- Franchising provides support, not management
- Franchisors offer systems, training, guidance
- Support levels vary by brand
- Franchisees remain responsible for operations and performance

Why This Matters

Support does not remove responsibility. Clear understanding prevents frustration and misalignment, building strong partnerships.

Next Step

Ask:

- What support is provided before/after launch?
- How is ongoing support delivered?
- What responsibilities fall solely on the owner?

Reflection Prompt

- *Where does franchisor support end, and what will you need to manage yourself?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 14

TIMELINE REALITY & PATIENCE

What This Covers

Why franchise award timelines are intentional and patience is critical to making well-aligned decisions.

Key Takeaways

- Processes are deliberate
- Rushing often signals misalignment
- Multiple conversations, reviews, and validations occur
- Timelines vary by brand and candidate

Why This Matters

Respecting the process ensures clarity, alignment, and better long-term outcomes. Rushing can lead to missed information and weaker decisions.

Next Step

- Expect multiple steps
- Allow time for document review and validation
- Focus on alignment, not speed

Reflection Prompt

- *What steps in the process might take longer than expected, and how will you prepare?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 15

AVOIDING COMMON STALLING POINTS

What This Covers

Why candidates stall and how preparation keeps momentum.

Key Takeaways

- Stalling often comes from preparation gaps, not brand issues
- Unclear goals, incomplete financials, missed follow-ups slow progress
- Preparation and consistent communication maintain momentum

Why This Matters

Prepared candidates move efficiently, have stronger conversations, and make informed decisions aligned with goals.

Next Step

- Clarify goals
- Understand finances
- Communicate and follow up consistently
- Engage when ready

Reflection Prompt

- *What potential gaps in your preparation could slow your progress?*

DUE DILIGENCE & EVALUATION — MICRO LEARNING LESSON 16

MAKING A RESPONSIBLE YES OR NO DECISION

What This Covers

How to evaluate franchise opportunities responsibly and why saying “no” can be appropriate.

Key Takeaways

- Not every opportunity fit, even strong brands
- Evaluate alignment with goals, skills, capital, lifestyle, and long-term vision
- Saying “no” professionally protects relationships and keeps future options open
- Responsible yes/no decisions support success for both sides

Why This Matters

Choosing thoughtfully demonstrates maturity and clarity. Pausing and reflecting is okay — thoughtful decisions are more important than speed.

Next Step

- Assess alignment with personal and financial goals
- Reflect before deciding
- Communicate decisions respectfully

Reflection Prompt

- *What factors would influence your “yes” or “no” decision, and how will you reflect before choosing?*