

Is Buying a Franchise Right for Me? Ask Yourself These 10 Best Questions

Highlight

Thinking about buying a franchise? Save yourself a ton of hardship by asking these 10 questions before you even start Googling.

The 10 Best Questions

[This is the shorthand version.](#) The experts' suggested best answers are below.

1. Why do I want to be a franchise owner?
2. Has my professional background prepared me to run the business I'm buying?
3. What's my personal financial situation?
4. Did I want to franchise my lemonade stand when I were 8 years old?
5. Am I a risk-taker or a seatbelt enthusiast?
6. Am I willing to commit the time to learn everything humanly possible about franchises before I sign the final papers?
7. Does my personality match the profile of successful franchisees?
8. Does my family fully support my interest in buying a franchise?
9. Will I recognize the warning signs of a bad franchise deal?
10. Am I a true entrepreneur trying to fit into franchisee's clothing?

The Golden Question

The million-dollar question you almost forgot to ask.

Can I play by the franchisor's rules?

The 10 Best Answers

1. Why do I want to be a franchise owner?

The most successful franchisees have a passion for success, care about this particular industry or product, have experience in managing a business and people, and are financially secure.

Dave Thomas, the founder of Wendy's says, "What do you need? Three simple things: know your product better than anyone. Know your customer, and have a burning desire to succeed."

Experts agree on the "wrong" reasons, too. At the top of the "wrong" list are get-rich-quick dreams, being your own boss (franchisees must follow the franchisor's system), and wanting to be a hands-off owner. More here:

[Related: Motivated to Be a Franchise Owner? Ask These 10 Best Questions](#)

2. Has my professional background prepared me to run the business I'm buying?

Franchise experts Nick Neonaski and Sagar Rambhia suggested this question in their book *The Franchise MBA*. Even better, ask yourself open-ended and more complex follow-up questions like these:

- How good am I at making decisions?
- How well do I plan and organize things?
- What specialized knowledge or talents can I bring to the business?
- Have I ever managed people before? Was I a good manager?

More skill questions here:

[Related: Skill Assessment for Prospective Franchise Owners: Ask Yourself These 10 Best Questions](#)

3. What's my personal financial situation?

Did you know that the #2 reason for small business failure is insufficient capital? (Number one is lack of experience, according to the U.S. Small Business Administration.)

World-renown franchisee expert Joel Libava warns: "Many franchises market themselves too aggressively and optimistically, leading potential franchisees to believe they'll make money right away. The truth is that most won't make a dime the first year. You must be mentally and financially prepared."

Avoid a financial disaster by asking tough questions like these:

- How will we get by during the start-up phase?
- Do we have savings we can live on for a year or more?
- How much can I/we afford to lose?

- How will my credit rating affect my ability to get a business loan?

More financial questions here:

[Related: Can I Afford to Buy a Franchise? Ask These 10 Best Questions](#)

4. Did I want to franchise my lemonade stand when I were 8 years old?

Sure, lots of kids had lemonade stands or mowed lawns for spending money. But how deep are your "entrepreneurial genes," the DNA of your drive for success?

Cookie queen Debbi Fields, founder of Mrs. Fields Cookies, recalled in an interview: "I had worked since age 13 and we were very poor. I worked at a department store and spent my first paycheck on real butter, chocolate and vanilla to make real cookies, nothing imitation anymore."

How about you? Did you set up a weekend lemonade stand or mowing business – *and hire friends* to work for me?

5. Am I a risk-taker or a seatbelt enthusiast?

An early consideration is your tolerance for risk. In general, "seatbelt enthusiasts" (a term coined by franchise consultant Jeff Elgin) are well-suited to run a franchise. They prefer the safety net of a parent company, as compared to the bigger risks of starting a new company from the ground up.

To survive and thrive, cut your risks with some smart upfront moves. Purchase a well-established franchise that offers exclusive territories and one that proactively supports and trains its franchisees.

[Related: What Are the Biggest Risks in Buying a Franchise? The 10 Best Questions](#)

6. Am I willing to commit the time to learn everything humanly possible about franchises before I sign the final papers?

Franchise experts in very industry, large and small agree, "Do your due diligence!" This means researching how franchises work in general and the nitty-gritty details for operating the one you've targeted to buy.

One of the most effective research tools is contacting existing and former franchisees to ask about their experience with the company and products. You can also meet sales representatives at franchise expos, research the Internet, and read deeply into chat forums frequented by franchisees, especially disgruntled owners. The more you investigate, the better you can separate facts from fiction, truths versus myths.

[Related: How to Research a Franchise Opportunity: The 10 Best Questions](#)

[Related: What to Ask Current Franchise Owners: The 10 Best Questions](#)

[Related: Be Prepared for a Franchise Expo: Ask These 10 Best Questions](#)

7. Does my personality match the profile of successful franchisees?

No one has the “perfect franchise personality.” Experienced franchise consultant Elgin and other experts name the following traits as key attributes for success.

Be honest with yourself. Perhaps most importantly, ask yourself what’s missing from your personality mix? For example, you might be so good at attention to details that your big-picture thinking gets fuzzy.

1. Steady Eddie type
2. Relationship builder
3. Results-focused
4. Motivator and cheerleader
5. Calm and confident leader
6. Positive outlook
7. Risk avoider
8. Big picture thinker
9. Resilient

[Related: Do I Have the Right Personality to Be a Franchise Owner? The 10 Best Questions](#)

8. Does my family fully support my interest in buying a franchise?

Managing a franchise is a full time job -- and then some. You’ll be making great sacrifices in other parts of your life, primarily your personal and family time.

So it’s very important that your family and friends understand the tremendous time demands and personal financial costs this business will involve.

Ask yourself tough questions like this one. More below:

- Can our relationship withstand financial uncertainties, long working days and tedious routines?

[Related: Franchise Ownership? Make the Right Decision with These 10 Best Questions](#)

9. Will I recognize the warning signs of a bad franchise deal?

Many new and prospective franchise owners get starry-eyed over their prospects or fall hard for franchisors’ hard-sell propaganda. Once you’re “in love,” it’s convenient to overlook the hard realities of running a business or this franchisor’s shortcomings.

Buyer beware if the company restricts access to current franchisees, discourages you from hiring your own franchise attorney for contract review, or is reluctant to share their income projections.

Learn more warnings and common mistakes here.

[Related: Franchise Buyer Beware of the Warning Signs of a Bad Deal: The 10 Best Questions](#)

[Related: Avoid Franchise Buyers' Most Common Mistakes: The 10 Best Questions](#)

10. Am I a true entrepreneur trying to fit into franchisee's clothing?

True entrepreneurs welcome change, enjoy tinkering with products, services, and processes, and take pride in innovative solutions. In comparison, successful and happy franchise owners welcome the business blueprint from the parent company that tells them exactly how and what to do.

Cake franchisee Sue Gilbert in Charlotte, North Carolina, told the *Charlotte Observer* that she likes the prescriptive nature of her business, including its standardized recipes. "It took the guesswork out of a business strategy," she says.

Ask yourself:

- Do I want to ride a roller coaster or ride a merry-go-round?
- Am I an order-maker or an order-taker?

More questions here:

[Related: 10 Best Questions for Prospective Franchise Owners: Start Your Own Business Instead?](#)

The Golden Question

The million-dollar question you almost forgot to ask.

Can I play by the franchisor's rules?

Franchise broker and franchisees' champion, Joel Libava advises wannabes to look deeply inside before looking around. Libava says, "Here's one thing to focus on right now: It's their system, so they get to write the rule book."

Think about your previous jobs, bosses, and reactions to life's rules. Ask yourself: Have I been a rule keeper, a rule maker or a rule breaker?

Jeff Elgin, an experienced franchise consultant, calls them "Steady Eddies." He says, "Franchising is all about following a proven system in order to replicate the success of the original business."

Does this sound like you – or not? More below.

[Related: Am I Too Independent to Be a Franchise Owner? Ask These 10 Best Questions](#)

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“Your attitude, not your aptitude, will determine your altitude.” ~ Zig Ziglar, legendary motivational speaker and salesman

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