



Franchise Myth Busting

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Gathering great franchise information and choosing a proven franchise concept is perhaps the best route to successful business ownership. There are many advantages to buying a proven business but many people are surprised to learn buying a franchise does not guarantee success. This is a fairly common misperception. This article examines some of the realities – and misperceptions.

Buying a Franchise is Safer than Starting a Business from Scratch.

Almost every potential franchisee I talk with has heard this. And it is true. The whole point of a franchise is that you limit your risk by buying a system that is already proven. The tools for success already are in place and there's no need to spend years reinventing the wheel with product, pricing, marketing, and so on.

But don't make the mistake of thinking that "franchising is safer" means "franchising is safe." There are no guarantees. As we state in the franchise book – The Educated Franchisee – 'Risk is not the same for everyone'. The location of your business, the time you have to invest, your management skills, and changes in the marketplace will have an impact on your business.

Franchising gives you the opportunity to work for yourself, but not by yourself.

A good franchisor will provide a proven business model that has worked for many franchisees. They will teach you how to be effective working within that model. In addition, a reputable franchisor will provide on-going training and support.

In many franchises, especially if territories don't overlap and franchisees don't compete with one



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another, your fellow franchisees will be another tremendous resource, helping you get an education in your particular franchise.

So you will work for yourself, but not by yourself. But don't interpret this to mean that you call the shots and the franchisor is there to help you no matter what. The franchisor has rules and procedures that are designed to protect you and your fellow franchisees. And remember that the only business model the franchisor knows how to support you on is the model you purchased. If you depart from that model and things aren't working, the franchisor will tell you to return to the model. It's good for the system, and frankly, you can't expect the franchisor to know how to help you be successful in an altered model. One of the most important parts of your franchise education is to understand this: You must know how to lead while following. Lead your employees and your business but follow the system. Anything other than this will defeat the purpose of buying a franchise.

Owning your own business means making money while working the hours that are best for you.

How many times have I heard "flexible hours" cited as someone's reason for wanting to buy a franchise. That's fine – as long as you realize that's a long-term goal for most franchises (or any other business, or a new job, for that matter). Owning a business requires hard work. The long vacations and extra time with family may come eventually, but new franchisees should expect to put in a lot of overtime, at least for several years.

And not only will you not make money right away, you'll need to invest money. You will need to pay an initial franchise fee, and, depending on the business, you might have to sign a lease, pay for signs, inventory, marketing, salaries, and royalties, all before you're making any money. It can take several months to several years for a franchise to start making a profit.

Before you invest in a franchise, look hard at yourself. If you have some tolerance for risk; are



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willing to follow a system and work hard; and have enough capital to carry you until you make a profit, franchising can be the vehicle that helps you achieve your goals. But be smart and understand that, unfortunately, there is no magic bullet.

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The Educated Franchisee is dedicated to franchise education through the sharing of franchise information. Our objective is –

“To create educated franchise buyers that have clearly defined objectives and are able to recognize the right, or wrong, franchise when they see it. An educated franchise buyer will move into the franchisee role with their expectations properly set and will have a heightened potential for success within the franchise system creating a win/win for all involved.

To get more franchise information about how to stack the deck in your favor –

Visit our website at www.educatedfranchisee.com or

Purchase our franchise book – [The Educated Franchisee](#) by Rick Bisio, Franchise Consultant or

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