



Business Virtual Learning

Course: Intro to Business

Lesson: Evaluating Franchise Opportunities

May 1, 2020



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Objective/Learning Target: Students will be able to:

- (1) Determine factors in evaluating franchise opportunities**



Lesson Starter

Would you want to be a franchisee and run a franchised business? Why or why not?



In today's lesson we will be looking at the importance of knowing the ins and outs of becoming a franchisee. Please watch the video and read the following slides to learn more.



Evaluating Franchise Opportunities

Selecting a Franchise

- Personal observation
- Advertisements

Investigating the Potential Franchise

- Information sources
 - Independent, third-party sources
 - Federal Trade Commission
 - Internet
 - Franchise consultants
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Evaluating Franchise Opportunities (cont.)

Investigating the Potential Franchise (cont.)

- Franchisors themselves
 - Disclosure documents
- Franchisors themselves
 - Disclosure documents
- Existing and previous franchisees



Franchise Disclosure Requirements

Franchise Rule

A rule issued by the Federal Trade Commission that prescribes that the franchisor must disclose certain information to prospective franchisees.

Franchise Disclosure Document (FDD)

Is a detailed statement of the franchisor's finances, experience, size, and involvement in litigation.

- Must inform potential franchisees of any restrictions, costs, and provisions for renewal, termination, or sale of the franchise.



Activity: Article Review

Directions: Please read the article linked below. I want you to write a brief summary of this article and provide the top 3 things you believe is important for a franchisee to know before making a franchising deal. Please write your summary and three items on a sheet of paper or type them on a Google Doc.

Article: <https://www.entrepreneur.com/article/323372>