

Startup Cost Activity: Opening Up a Franchise

Directions: Select a franchise that you would consider opening in Plainfield. Research and record information about each business below. <https://www.entrepreneur.com/franchise500>

Franchise name:

Product or service:

Years franchiser has been in operation:

CEO:

\$ Needed to start (Initial Investment):

What is included:

Liquid Cash Requirement:

Definition:

Annual royalty and advertising fees:

Number of existing franchises:

Location of franchise headquarters (corporate address):

Ticker Symbol:

Abilities and Interests

1. Is this a business that you think you would enjoy over time?
2. Do current franchise owners have any prior technical backgrounds or special training that helps them succeed?
What is it?
3. Do you have a similar background?
4. Do you have any other skills or abilities that can help this franchise succeed?

Consumer Demand

1. Is there a demand for the franchiser's products or services in your community?
2. Is the demand seasonal? For example, lawn and garden care or swimming pool maintenance may be profitable only in the spring or summer.
3. Is there likely to be a continuing demand for the products or services in the future?
4. Does the product or service generate repeat business? How do you know?

Market Competition

1. What is the level of competition for the product or service, nationally?
2. What is the level of competition in your community?
3. How many franchised and company-owned outlets does the franchiser have in your area?
4. How many competing companies sell the same or similar products or services in your area?
5. Are these competing companies well established, with wide name recognition in your community?
6. Do they offer the same goods and services at the same or lower price?

Name Recognition

1. Is the company's name widely recognized?

2. Does the company have a reputation for quality products or services?

Directions: Read the following articles to learn about the pros and cons of opening up a franchise.

<https://www.entrepreneur.com/article/226489>

<https://www.forbes.com/sites/jaredhecht/2019/02/27/the-pros-and-cons-of-buying-a-franchise/#3f2c8fd31198>

<https://franchisebusinessreview.com/post/franchise-advantages-disadvantages/>

What are the advantages of opening up a franchise?

What are the disadvantages of opening up a franchise?

Would you realistically ever open a franchise? Why or why not?