THE COMPLETE, NO-B.S. GUIDE TO BUYING A FRANCHISE IN 2024

Proudly brought to you by:

FIBRENEW®

Experts in Leather, Plastic & Vinyl Restoration

CONTENTS

Introduction

These days, it can be easy to feel like the odds are stacked against your financial success.

Inflation. Unemployment. Rising taxes.

These are all nasty words, aren't they? You probably feel tired just reading them.

Higher interest rates. Tighter credit conditions.

Ok, we'll stop now. You get the point.

What we mean to say is that it's hard to find stability and direction in a world where things change at such a rapid pace. And where it's often as if we take one step forward and two steps back when it comes to our career success.

It's not all about money, either. Sacrificing fleeting time that should be spent on your family, your mental health, your personal fulfillment, etc can be consumed by ever-increasing work hours for salaries that still don't keep pace with inflation.

Well, don't take what we're saying as mere fear-mongering or trigger-inducing rhetoric.

See, in our line of work, we have the honor of seeing people from all walks of life genuinely obtain a balance between earning an incredible living doing something they love and still harnessing control over their time and happiness.

We get to watch those individuals transition out of that same trapped feeling mentioned above into something rewarding, inspiring, and life-changing.

We don't claim that franchising is a one-size-fits-all solution. But we've seen it work for so many—and in such a profound way—that we want every person who craves a change but is perhaps afraid to take the risk to have every reassurance they need.

That's why we put together this guide; so you have all the information you need in one place. Let us, Fibrenew, be your shepherd in the wide-ranging field of franchising.

Thanks for joining us—and enjoy!

SHAPING BUSINESS VALUES AND THE ECONOMY IN 2024

(in a broad sense)

In 2024, the global economy is poised for a dynamic, positive shift, presenting several compelling reasons for entrepreneurs to consider starting a business.

A climate of recovery—in certain areas—often brings about new opportunities for innovative startups to meet changing consumer needs and emerging market demands. With increased access to digital tools, global markets, and remote work capabilities, aspiring business owners have the right environment to explore entrepreneurial ventures.

One of the key drivers encouraging individuals to start their businesses in 2024 is the continued emphasis on technology, digital transformation, and home-based services.

Businesses that leverage advanced technologies, such as artificial intelligence, blockchain, and data analytics, are poised to disrupt traditional industries and create innovative solutions. The ongoing shift toward online commerce and remote work also provides a fertile ground for e-commerce, SaaS (Software as a Service), and other technology-driven business models.

"Consumers and investors are increasingly conscious of environmental and social issues, and businesses that prioritize sustainability, ethical practices, and social impact are gaining favor."

As global markets increasingly rely on digital platforms and solutions, entrepreneurs with creative ideas and a tech-savvy approach can tap into this trend and build scalable ventures.

The growing emphasis on sustainability and social responsibility presents another compelling reason to start a business in 2024. Consumers and investors are increasingly conscious of environmental and social issues, and businesses that prioritize sustainability, ethical practices, and social impact are gaining favor.

Entrepreneurs with ideas that align with these values not only contribute to a better future but also appeal to a growing market of environmentally and socially conscious consumers.

The global economy in 2024 offers a promising backdrop for entrepreneurs looking to start their businesses. The marriage of technological innovation, recovery from the pandemic, and the growing importance of sustainability and social responsibility make it an opportune time to embark on entrepreneurial journeys.

And there's always a unique business opportunity that not everyone considers: buying a franchise.

How Fibrenew Fits into the Picture

We are proud to offer the chance for those from a wide variety of backgrounds to own their own business. We also equip our franchisees with cutting-edge proprietary technologies that make them more effective at their jobs and allow them to bring greater satisfaction to their customers.

Fibrenew is also built upon a sustainable model at its core. So we inject that philosophy into everything we do.

In short, Fibrenew offers:

- Innovative and proprietary technology, products, and services
- An accessible route to business ownership
- An inherently sustainable business model

These characteristics align perfectly with the economic and business trends of 2024. And we always uphold the homegrown values that make the Fibrenew family what it is today!

A Glossary of Key Franchising Terms

Conversion Franchise: A type of franchise arrangement where an existing independent business converts to a franchise by adopting the franchisor's brand and systems.

Franchise Agreement: A legally binding contract that outlines the terms and conditions under which the franchisee can operate a business using the franchisor's brand, products, and systems.

Franchise Disclosure Document (FDD): A legal document provided by the franchisor to potential franchisees, which contains detailed information about the franchise opportunity, its financials, and other relevant disclosures.

Franchise Fee Structure: The breakdown of fees and costs associated with the franchise, including initial fees, royalties, marketing fees, and other expenses.

Franchise Resale: The sale of an existing franchise unit by one franchisee to another, subject to approval by the franchisor.

Franchise Termination: The process by which the franchisor may end the franchise agreement with the franchisee, often due to non-compliance with terms or other contractual violations.

Franchisee: The individual or entity that enters into an agreement with the franchisor to operate a business using the franchisor's brand, resources, and support in return for payment.

Franchisor: The party or company that grants the rights to others (franchisees) to operate a business using its established brand, products, and systems in exchange for fees and royalties.

Initial Franchise Fee: A one-time payment made by the franchisee to the franchisor upon signing the franchise agreement, which covers the cost of training, initial setup, and access to the franchise system.

Master Franchise: An entity or individual granted the rights to develop and sub-franchise a specific region or territory on behalf of the franchisor.

Multi-Unit Franchise: A franchisee who operates multiple franchise locations under a single agreement with the franchisor.

Renewal Agreement: A contract extension signed by the franchisee and franchisor when the initial franchise term expires, allowing the franchisee to continue operating the business.

Royalties: Regular payments made by the franchisee to the franchisor, typically a percentage of the franchisee's gross sales, as compensation for the ongoing support and use of the franchisor's brand.

Territory: The specific geographic area where the franchisee is allowed to operate their business, as defined in the franchise agreement.

FR4NCH1SING BY TH3 NUMB3R5

Franchising is, in fact, a growing model all over the globe. But the U.S. remains steadfastly the largest player, for sure.

But don't let that deter you if you live elsewhere–*many* successful American franchise companies allow franchisees to open units in most established markets worldwide.

Here's a snapshot of some hard data surrounding franchising in 2024.

Highlights

- **55%** of franchise owners are between the ages 45 and 64–but younger generations are growing
- The global franchising market was valued at **$3.71** trillion USD in 2019
- The overall average initial investment required for a franchise is around **$250,000**—but this can vary widely
- **95%** of franchises are owned and operated by single-unit owners
- Women-owned franchises account for **27%** of all franchised businesses globally
- Service-based franchises contributed significantly to the **$787** billion economic output of the franchising industry in the United States in 2021.

Ownership Age and Diversity

A significant portion of franchise owners are in the age range of 45-64 years—accounting for 55% of owners. This indicates that franchising is an attractive option for individuals seeking entrepreneurship later in their careers or as a transition from corporate jobs. Moreover, 19% of franchise ownership in the United States is held by minorities, reflecting some level of diversity in ownership.

Franchise Types and Growth

Quick-service restaurant franchises are particularly prominent, generating substantial economic output. In the U.S., they are the largest segment of the franchising industry, with an output of $241 billion. The global franchising market, valued at $3.71 trillion in 2019, is expected to grow significantly, indicating a robust and expanding industry.

Investment Requirements

The average initial investment required for a franchise is around $250,000. However, this can vary widely depending on the franchise type and brand. For example, McDonald's franchises require a substantial initial investment, ranging from $1 million to $2.2 million, while setting up a Chick-fil-A franchise can cost around $10,000.

Single-Unit Ownership

A notable aspect of franchising is that around 95% of franchises are owned and operated by single-unit owners, indicating the accessibility of the franchise model to individual entrepreneurs rather than large corporations or conglomerates.

Women in Franchising

There's a positive trend towards greater gender diversity in the franchise industry, with women-owned franchises accounting for 27% of all franchised businesses globally. This demonstrates an increasing involvement of women in franchising, contributing to the diversity of the industry.

Service Franchises

Service-based franchises have become a significant and growing sector within the broader franchising industry, reflecting consumer preferences for specialized, non-discretionary services. According to the International Franchise Association (IFA), the service-based franchise sector has outpaced growth in other franchise sectors, with an annual growth rate of approximately 2.5% over the past five years.

The sector's resilience is also reflected in its revenue growth, with the IFA reporting that service-based franchises contributed significantly to the $787 billion economic output of the franchising industry in the United States in 2021.

TOP FRANCHISING INDUSTRIES

Fast Food and Quick Service Restaurants

Kona Ice
Wetzel's Pretzels
A&W
Pizza Factory
Bahama Buck's Original Shaved Ice Company

Health and Fitness

The Joint chiropractic
AnyLabTest Now!
Soccer Shots
Skyhawks
SuperTots
Amazing Athletes

Real Estate and Property Management

new again houses
HomeVestors We Buy Ugly Houses
Real Property Management a neighborly company
Jellystone Park Yogi Bear's Camp-Resorts
NextHome

Home Improvement and Renovation

Ace Hardware
Budget Blinds Style and service for every budget.
CertaPro Painters

Senior Care and Healthcare

Education and Tutoring

Cleaning and Maintenance

Automotive

Convenience Stores and Gas Stations

Pet Care

Coffee and Beverage

THE RISE OF MOBILE FRANCHISES

In recent years, there has been a significant rise in franchises that operate from vehicles and deliver products or services directly to the customer's doorstep.

This innovative business model capitalizes on the increasing demand for convenience and the changing consumer habits driven by technology and urbanization.

From food trucks and mobile pet grooming services to on-demand coffee and home maintenance, these mobile franchises have reshaped traditional business models and redefined the way we access goods and services.

The appeal of vehicle-based franchises lies in their ability to bring products and services directly to consumers, eliminating the need for customers to travel to a physical location. In today's fast-paced world, where time is often a precious commodity, the convenience of having a mobile business come to you is hard to resist.

The rise of these mobile franchises is closely intertwined with technological advancements. Mobile apps and online platforms have made it easier for customers to locate and interact with these businesses. This digital integration has not only simplified and improved the customer experience but also allowed these franchises to efficiently manage their operations.

WHAT TO DO **BEFORE BUYING A FRANCHISE**

Make sure you've gone through the personal, legal, and financial steps necessary before diving in head-first.

Conduct Some Serious Self-Reflection

Before exploring the many franchise options available to you, take some time for introspection.

What are your passions, skills, and interests? What are your financial goals?

Understanding yourself is the first step in finding the right franchise.

Some franchise owners might be primarily motivated by the highest profit-yielding business opportunities, in which case they might opt for the McDonald's or Chick-fil-A's of the world. But big profits typically mean big upfront investments, significant financial liquidity, and a high net worth.

Other prospective small business owners might opt for something on a lesser scale that provides them with more free time and control over how the business is run.

Franchises span every industry—from fast food to fitness, education to pet care, home services, and everything in between. Consider industries that match your interests and lifestyle. A passion for food might lead you to a restaurant franchise, while a desire to help others might point to a senior care business.

Regardless of which way you lean, looking deeply into understanding your goals, your strengths, your lifestyle, and your commitments is the first step before diving head-first into the franchise system.

Understand Your Market Deeply

Now that you've identified your interests and strengths, it's time to do some practical market research.

Start by researching industries that align with your preferences. Analyze market trends, consumer demands, and growth potential. Consider factors like location, competition, and target demographics.

By narrowing down your options to a specific niche, you'll increase your chances of finding the perfect type of franchise.

And most important (at least if you want the best chance at running a successful franchise) is to investigate the market demand in your area. Is there a gap that a particular franchise can fill? Look for enduring market needs rather than trends that might fade.

Note: Fibrenew is very stringent when selecting and implementing territories as part of our franchise offering. This is to give every franchisee the maximum opportunity based on population, number of businesses operating in the area, and avoiding overlap or conflict with other existing territories.

Explore Diverse Franchise Options

The next step is to research various franchise brands within your chosen niche and evaluate them based on their reputation, history, support systems, and financial requirements.

Some organizations can greatly help with your search—BizBuySell or Franchise Direct are some perfect examples.

Once you've narrowed down your options, request the Franchise Disclosure Document (FDD) from each franchisor. This legal document contains vital information about the franchise, including its financial performance, obligations, and franchisee requirements. Scrutinize the FDD carefully and consider consulting with a franchise attorney to ensure you fully understand the terms and conditions.

You should also seek advice by connecting with current franchisees (often referred to as "validation").

One of the most valuable resources in your quest for the perfect franchise is existing or former franchisees.

Reach out to them to gather insights into their experiences. Ask about the franchisor's support, challenges they've faced, and overall satisfaction. Their firsthand knowledge can provide invaluable guidance and help you make an informed decision.

Assess Your Legal and Financial Readiness

Financing your franchise venture is a crucial aspect of the process. Because even the perfect business plan won't go far without the capital to keep the momentum going.

Assess your financial situation honestly and determine how much you can invest in your own business. Remember that besides the initial franchise fee, you'll need working capital for operating expenses and marketing. Consider your financing options, such as personal savings, loans, or investors, to ensure you have the necessary funds to get started with your new franchise.

Consider consulting with a franchise attorney to review the FDD and any franchise agreement before signing. They can help you understand the terms and conditions, obligations, and restrictions.

Understand the Franchisor's Culture and Values

Being able to align your own personal values with your chosen franchisor is essential for maintaining a long-term successful business relationship, as well as being able to conscientiously represent that brand.

First, examine the franchisor's mission and vision, then try to understand what's at the core of the brand–what makes them "tick." Franchise Business Review is an invaluable resource for understanding the perception of each franchisor.

Also, take advantage of every resource and interaction throughout the sales process to validate and prove that those values are upheld and contribute to how the business is run. That way, you'll know with confidence that you won't be compromising any of your own beliefs, and you'll be proud to run a business under your chosen franchisor's flag.

ADVANTAGES AND DISADVANTAGES
OF FRANCHISING

There are many benefits to owning a franchise. As long as you're driven, creative, and passionate about what you're doing, these benefits will supplement everything you do as a franchise owner.

Advantages

A built-in recipe for success
Imagine having a playbook for business success right from the get-go. A proven track to growth that lets you hit the ground running. That's what franchising offers you—a tried-and-true business model that's already been put to the test.

A recent study by Vetted Biz discovered that, among the top 100 new franchises, an average failure rate of less than 2% is the reality.

That figure speaks volumes about the power of taking the reigns on a brand with existing momentum.

Riding the brand recognition wave
Think about it: opening a brand new business and struggling to make a name for yourself versus stepping into a recognized brand that customers already trust.

The choice is clear.

Franchising provides you with a shortcut to brand awareness that can take years to establish with an independent business. Forbes notes that leveraging an established brand name can significantly reduce the time and effort required to build a customer base. This means faster growth, greater loyalty, more trust, and ultimately, *higher revenues.*

Consistent expert guidance and support
Starting a business from scratch is like navigating a maze blindfolded. But with franchising, you're not alone.

Franchisors come with a built-in support system that's designed to help you thrive. According to a survey conducted by Franchise Business Review, a whopping 87% of franchisees agree that they receive ongoing support from their franchisors.

From initial training to continuous guidance, you're not just getting a business opportunity, you're getting a mentorship that significantly increases your chances of success.

Tapping into an existing customer base
One of the most daunting tasks for any new business is building a customer base from scratch. But when you're a franchisee, you're stepping into a business that already has a loyal following.

According to a study by the Franchise Research Institute, the majority of franchisees reported that their franchisors provide effective marketing and advertising support.

This means you can hit the ground running with an existing customer base, leading to faster growth and higher profitability.

Navigating the financial landscape
Let's talk money.

Starting a business requires a significant investment of capital, and securing funding can be a major hurdle.

According to the Small Business Administration (SBA), large banks tend to approve small business loans at a rate between 20-30%, while this figure is closer to 40% with smaller banks. This means that there is ample opportunity to get the financial support you need to turn your entrepreneurial vision into reality.

Protecting the environment
A ton of franchises nowadays are mobile operations that serve customers wherever they are. This typically only requires a vehicle, cutting down on the need for extensive construction, equipment, or waste that might be associated with, say, a new restaurant.

This type of business model means you can earn well while still injecting your values into what you do. It's hugely motivating to contribute to sustainability while earning a living.

Potential Disadvantages

Lack of autonomy
Franchisees must adhere to the established business model, operating procedures, and all aspects of the business set by the franchisor. This can limit their ability to make business decisions about aspects such as pricing, menu offerings, marketing strategies, and day-to-day operations in general.

The need to follow strict guidelines can sometimes hinder a franchisee's creativity and entrepreneurial spirit, and even though a franchisee does own the business, they might not fully feel like their "own boss."

Possible cost-prohibitiveness
While franchises provide a proven business model, they often come with substantial initial costs/initial investment and ongoing fees. These expenses might include franchise fees, royalties, advertising contributions, and other charges.

Additionally, franchisees might be required to purchase products or services exclusively from the franchisor or approved suppliers, which can limit their ability to negotiate better deals with other vendors.

That being said, startups often face more significant start-up costs without the added security and support of a franchising arrangement.

FRANCHISE COST DEFINITIONS

Reference these terms before and throughout your franchise investment journey so you're always comfortable with their meaning and relevant impact on your situation.

Initial Franchise Fee

An initial franchise fee is a one-time, upfront payment that a franchisee (the person or entity buying the franchise) pays to the franchisor (the company or organization granting the franchise rights) in exchange for the right to operate a franchise unit under the franchisor's brand name and business model.

Investment costs can range widely, but you might expect to pay anywhere from $10,000 to $1 million, depending on the brand and industry.

Real Estate and Leasehold Improvements

When buying a certain franchise, real estate and leasehold improvements relate to the physical location of your franchise business.

Depending on the franchise model and industry, you may either purchase or lease real estate for your franchise unit. Here's what these terms mean:

Real Estate: Refers to the physical land and any buildings or structures located on that land. When you buy real estate for your franchise, you become the owner of the property. This can be a significant investment and comes with responsibilities such as property maintenance, property taxes, and potentially mortgage payments if you finance the purchase.

Leasehold Improvements: Leasehold improvements, also known as tenant improvements, are alterations or enhancements made to a leased commercial space to make it suitable for operating your franchise. These improvements are typically necessary to adapt the space to the specific needs and requirements of the franchisor's business model. Leasehold improvements can include things like interior renovations, electrical or plumbing work, flooring, lighting, signage, and fixtures.

Equipment and Supplies

These costs are associated with acquiring the necessary tools, machinery, and materials to operate your franchise unit efficiently. The specific equipment and supply requirements can vary widely depending on the type of franchise and the industry it belongs to.

Some examples include:

- Any necessary equipment
- Furniture and fixtures
- Inventory
- Supplies
- Technology and point-of-sale systems

Vehicle Costs (if Applicable)

Make sure you outline these costs clearly when creating a budget for your new franchise. They can be a significant part of the upfront costs, or a lesser consideration, but that is completely dependent on the business you are buying into.

This is especially important when looking at investing in a mobile, home-service-based franchise business.

Working capital

This is the amount of liquid assets or funds you need to cover your day-to-day operational expenses and obligations as you start and operate your franchise business.

It's a crucial financial component that ensures your business can run smoothly, meet its short-term financial needs, and handle unexpected expenses. Working capital is essential for maintaining business operations and financial stability.

Royalties (Very Important)

Royalties, in the context of buying a franchise, are ongoing fees that franchisees pay to the franchisor.

These fees are typically based on a percentage of the franchisee's gross sales or revenue. Ongoing royalties are one of the primary sources of income for franchisors and serve several purposes.

Brand Use and Support: Royalties grant franchisees the right to use the franchisor's established brand name, trademarks, logos, and business model. In return, the franchisor provides ongoing support, including marketing, advertising, training, and access to the franchisor's resources and expertise.

Continual Franchisor Support: Franchisors use the royalties collected from franchisees to fund ongoing support services, which can include marketing and advertising campaigns, research and development, training programs, updates to operational systems, and ongoing communication and guidance.

Consistency and Uniformity: By collecting royalties based on a percentage of sales, franchisors incentivize franchisees to maintain and grow their businesses, as higher sales result in higher royalty payments. This system helps ensure consistency and uniformity across all franchise units and aligns the interests of both the franchisor and franchisees.

Brand Growth: The revenue generated from royalties often supports the franchisor's expansion efforts, allowing it to open new franchise locations, develop new products or services, and enhance the overall brand presence in the market.

And royalties can be structured in various ways, including:

Percentage of Gross Sales: This is the most common royalty structure, where franchisees pay a fixed percentage (e.g., 4% to 10% or more) of their gross sales to the franchisor. The percentage can vary depending on the franchise brand and industry.

Fixed Royalty Fee: Some franchises charge a fixed dollar amount as a royalty fee rather than a percentage of sales. This approach provides more predictability for franchisees but may not adjust for variations in sales volume.

Sliding Scale Royalties: In certain cases, the royalty rate may be tiered, with higher sales resulting in lower royalty percentages. This incentivizes franchisees to achieve higher sales levels.

Royalties are typically paid regularly, such as weekly, biweekly, or monthly, and are outlined in the franchise agreement and the franchise disclosure document (FDD). It's important for prospective franchisees to carefully review the FDD to understand the royalty structure and any other ongoing fees or financial obligations associated with the franchise.

Marketing and Advertising

Franchisees are often required to contribute to a national or regional marketing and advertising fund. This cost is usually a percentage of your gross sales and can range from 1% to 4% or more.

The specific marketing and advertising costs can vary widely depending on the franchise brand, industry, and geographic location. Franchisees should also consider their ability to fund these marketing materials and efforts as they are critical for driving customer traffic and revenue to their franchise unit.

While you'll benefit from national advertising campaigns, you might also be required to contribute to a marketing fund or spend a certain amount on local advertising.

Training and Support Fees

Training and support fees refer to the costs associated with the initial training and ongoing support provided by the franchisor to franchisees.

These fees are designed to help franchisees learn and implement the franchisor's business model, systems, and standards effectively. Training and support are critical components of a successful franchise relationship, as they enable franchisees to operate their businesses following the franchisor's established methods and maintain brand consistency.

Insurance

Just like with any business, property ownership, vehicle, etc. You'll need to purchase insurance coverage for various aspects of your business, including liability, property, and worker's compensation.

This is compulsory to any respectable franchise arrangement.

Legal and Accounting Fees

You may need to hire lawyers and accountants to review the franchise agreement, set up your business structure, and handle ongoing financial matters.

Setting up any business requires certain legal formalities. Expect to pay for business licenses, permits, and representation that will make you confident in moving forward with an investment.

Franchise Renewal Fees

Franchise renewal fees are charges that franchisees are required to pay to the franchisor when their initial franchise agreement term expires, and they wish to renew or extend their franchise agreement for an additional period. These fees are not a one-time expense like the initial franchise fee but are instead associated with the continuation of the franchise relationship.

Franchise renewal fees are an important aspect of the franchise relationship, and franchisees should carefully consider their terms and costs when deciding to renew.

Consulting with legal and financial advisors experienced in franchise matters can help franchisees navigate the renewal process and negotiate terms that are favorable to both parties.

BREAKING DOWN FRANCHISE AGREEMENTS

Franchise agreements are legally binding contracts between a franchisor (the owner of the brand and business model) and a franchisee (the individual or entity wishing to operate a franchise using the franchisor's brand and system). These agreements are essential in establishing the terms and conditions under which the franchise will be operated.

Purpose of Franchise Agreements

The primary purpose of a franchise agreement is to define the relationship between the franchisor and franchisee. It lays out the rights and obligations of both parties, ensuring there is a clear understanding of what is expected.

This agreement is crucial because it protects the franchisor's intellectual property and brand while providing the franchisee with the right to operate under this brand. It also ensures consistency across all franchise locations, which is vital for maintaining the integrity and reputation of the brand.

Importance of Franchise Agreements

1. **Protection of Brand:** The agreement helps in maintaining the quality and standardization of the products or services offered across all franchise units, which is vital for protecting the brand's reputation.

2. **Clarity of Operations:** It provides detailed guidelines on how the franchise should be operated, helping to avoid conflicts and misunderstandings between the franchisor and franchisee.

3. **Legal Compliance:** The agreement helps ensure that both franchisor and franchisee adhere to relevant laws and regulations, reducing the risk of legal issues.

4. **Financial Arrangements:** It outlines the financial obligations of the franchisee, including franchise fees, royalties, and any other payments required.

Key Elements of a Franchise Agreement

1. **Grant of Franchise:** Defines the franchisee's right to use the franchisor's trademarks, trade names, business systems, and other intellectual property.
2. **Term and Renewal:** Specifies the duration of the franchise agreement and the terms under which it can be renewed.
3. **Fees and Royalties:** Details the initial franchise fee, ongoing royalties, and any other fees the franchisee is required to pay.
4. **Training and Support:** Outlines the training and support to be provided by the franchisor, including initial training, ongoing assistance, and additional resources.
5. **Operations Manual and Standards:** Specifies the requirement for the franchisee to adhere to the franchisor's operations manual and maintain certain operational standards.
6. **Territorial Rights and Restrictions:** Defines the territory in which the franchisee can operate and any territorial exclusivity rights.
7. **Advertising and Marketing:** Details the franchisor's and franchisee's responsibilities regarding advertising and marketing efforts.
8. **Products and Services:** Specifies the products and services that can be offered and any requirements or restrictions related to them.
9. **Compliance with Laws and Regulations:** Requires the franchisee to comply with all relevant laws and regulations.
10. **Sale or Transfer of Franchise:** Sets the terms under which the franchisee can sell or transfer the franchise rights.
11. **Termination Conditions:** Outlines the conditions under which the franchise agreement can be terminated by either party.
12. **Dispute Resolution:** Specifies the methods for resolving disputes between the franchisor and franchisee.

WHAT TO EXPECT FOR YOUR FIRST YEAR IN BUSINESS

The first year of owning a franchise can be both exciting and challenging. Here's what you can generally expect during this period.

Initial Training

In the first few months, you'll typically undergo extensive training provided by the franchisor. This training covers various aspects of running the franchise, including operations, customer service, marketing, and administrative tasks. You'll learn the ins and outs of the business model and gain the skills necessary for success.

Setup and Launch

During this time, you'll be focused on setting up your franchise location. This involves securing a suitable location (if it's a brick-and-mortar business), obtaining necessary licenses and permits, ordering equipment and inventory, and ensuring that your business complies with all franchisor guidelines.

Marketing and Grand Opening

To attract customers and establish a presence in your community, you'll work on marketing strategies and promotions. Many franchises have a grand opening event to generate buzz and draw in customers. The franchisor may provide marketing support and materials to assist with this.

Learning Curve

As a new franchise owner, there will be a learning curve as you become accustomed to the day-to-day operations. You may encounter challenges and make adjustments to improve efficiency and profitability. Expect to devote a significant amount of time to the business, especially in the initial months.

Building a Customer Base

Building a steady and loyal customer base takes time. You'll need to focus on providing excellent customer service, meeting customer expectations, and consistently delivering on the brand promise. Franchisors often provide marketing resources and guidance to help you attract and retain customers.

Adherence to Franchise Standards

Franchisors have specific standards and operational guidelines that you must adhere to. You'll need to follow these standards closely to maintain brand consistency and ensure the success of your franchise. This includes maintaining product or service quality, cleanliness, and adherence to operational protocols.

Long-Term Planning

While your focus during the first year is on getting your franchise off the ground, it's also important to start thinking about your long-term goals and strategies for growth. Many successful franchise owners expand by opening additional units or locations in the future.

THE FIBRENEW FRANCHISE SALES PROCESS

Some franchisors will have a very structured sales process, often called the ‘Discovery Process’. Others will have little or no formal process for how you’ll learn the ins and outs of their franchise system.

At Fibrenew, we have developed a Five Step Discovery Process that guarantees franchisees feel confident they have all the information they could ever need to decide whether our franchise is a good fit. We aim to leave no stone unturned to ensure our franchisees make the right decision and are successful.

1) Introductory Call

This is a very casual initial conversation where we can get to know each other. Think of it as 'a coffee date'–no strings attached and relaxed in nature to see if there is enough synergy to continue the conversation.

2) Screen Share & Presentation

If things go well in the Intro Call, we schedule a more comprehensive conversation as the next step. This is where we expand into more detailed background information of our franchise and get to know the background of the person looking at us more.

At this stage, we also provide a comprehensive overview of our training, support, products, marketing systems, technology, fee structure, and more. Think of this as the 'second date'–still no strings attached but a deeper understanding is gained by both parties.

3) Validation, FDD Review, Mapping & Proforma

If the Screen Share and Presentation step goes well, this next step is where things can start to take shape. This is when we'll encourage you to speak with at least seven franchisees and ask them anything you would like. From their opinion of us as a franchisor, to their experience with training and support, about products, the type of work they do, their profit margins, and more.

You will also review our Franchise Disclosure Document (FDD), create a proforma for your first year of operations, and work with our mapping department to create your ideal future territory.

4) Ride Day

Some franchisors refer to this as a 'Discovery Day' where you'll drive or fly to the corporate head office to meet the leadership, operations, training, and support teams.

At Fibrenew, we do something a little different: you'll meet with a franchisee and spend a day in the field, performing repairs, interacting with customers, and talking shop. This is where 'rubber hits the road' and will give you an excellent indication of what it's actually like being a Fibrenew Franchisee.

5) Decision Day and President's Call

After your Ride Day is complete, and you're back home and have processed everything, you'll have a final call with our President where you can discuss any last questions you may have, and ultimately make a decision together if Fibrenew is the right franchise for you to invest in and own and operate for years to come.

While this can read like a very structured process, we often hear from the individuals who complete it from start to finish that it's intuitive, enjoyable, and works in thoroughly understanding all there is to know about Fibrenew so you can make an informed decision.

Onward!

No matter where you're coming from–or where you're going—becoming a successful business owner in a viable industry will always be a solid long-term plan.

Ambitious entrepreneurs will endure. Sustainability will endure. Franchising will endure.

Just remember that:

- You must think long and hard about what your goals are for your future
- It's crucial to recognize that franchising is a unique endeavor—but is not for everybody
- Being in-depth in your search for the right franchise fit will safeguard your success
- Fibrenew treats our franchisees like family—no-B.S.!

All the best in your search, and we wish you success in anything you choose to pursue.

Talk soon!

Sincerely,

The Team @ Fibrenew

References

- Wolf of Franchises - Buying a Franchise Guide
- International Franchise Professionals Group - Buying a Franchise
- iCode Franchise - The Complete Guide to Buying a Franchise in 2023
- Global IT Network & UX - Franchise Statistics
- Fortunly - Franchise Statistics
- MarketSplash - Franchising Statistics
- Zipdo - Franchising Statistics
- Apps That Deliver - Franchise Statistics
- Swoop USA - SBA loan approval rate
- International Franchise Association – IFA

CONTACT US

Bob Johnston
USA Sales
800.345.2951 ext 117
bob@fibrenew.com

Denver Dominas
Resales & USA/Canada Sales
800.345.2951 ext 102
denver@fibrenew.com

Tim Church
USA Sales
800.345.2951 ext 132
tim@fibrenew.com

Jesse Johnstone
International Sales
800.345.2951 ext 113
jesse@fibrenew.com

USA / Canada / Mexico / Latin America Operations

Mailing Address:
Fibrenew International
PO Box 117
Diamond Valley, AB T0L 0H0

Phone Contacts:
Toll Free: 800.345.2951
Phone: 403.278.7818

Email Contacts:
General inquiries: info@fibrenew.com
Franchise inquiries: franchising@fibrenew.com
Service Alliance inquiries: sa@fibrenew.com
Press Inquiries: press@fibrenew.com

New Zealand Operations

PO Box 10 031 Unit 36
28 Lismore Street
Christchurch, 8145
New Zealand

Phone: 03 374 3366
Fax: 03 374 3377
fibrenew.co.nz
info@fibrenew.co.nz

Saudi Arabia Operations

Ibrahim Alyahya
Phone: +96.655.611.0022
Email: saudiarabia@fibrenew.sa