

SEVEN REASONS WHY  
PEOPLE INVEST IN

# FRANCHISES

OVER STARTING THEIR OWN  
BUSINESS



# CINDY RAYFIELD



Franchise Broker/Consultant



Franchisee in the Haircare Industry



13 years experience in the franchise consulting



25 years experience in small business



Franchise Expert



# WHAT DOES A FRANCHISE CONSULTANT DO?



We match people who want to be in business with a franchise that meets their needs.



Our services are always 100% free to you, the client. Similar to a real estate agent.



Represent over 700 franchise concepts in food, education, beauty, fitness, home services, business to business and more.



Present custom list of concepts to clients based on their goals, skills and finances.



Guide, counsel and educate through the entire franchise research process.





# WE ASK CLIENTS TO IMAGINE: You are the owner of a successful business...

How would your life  
be better?

Getting Rid Of Career Pain / Achieving  
Career Gains



# WHY BUSINESS OWNERSHIP



SUCCESS



Fulfillment



Flexibility



Independence



Control



Financial Security



No More Layoffs



Money

## WHAT IS IT FOR YOU?



## RISK REALITY



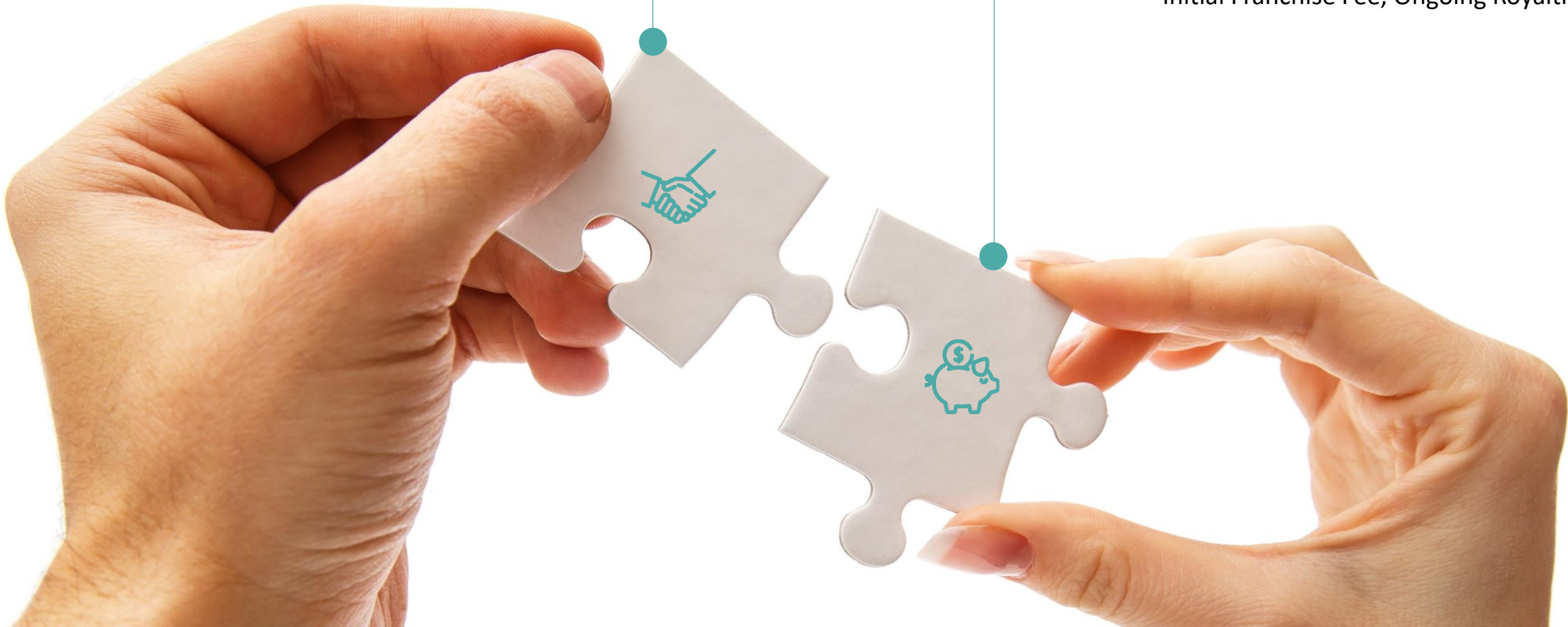
You've played by the rules, but the rules are changing.



Job security is a thing of the past. Income security is the future.



# WHAT IS A FRANCHISE?



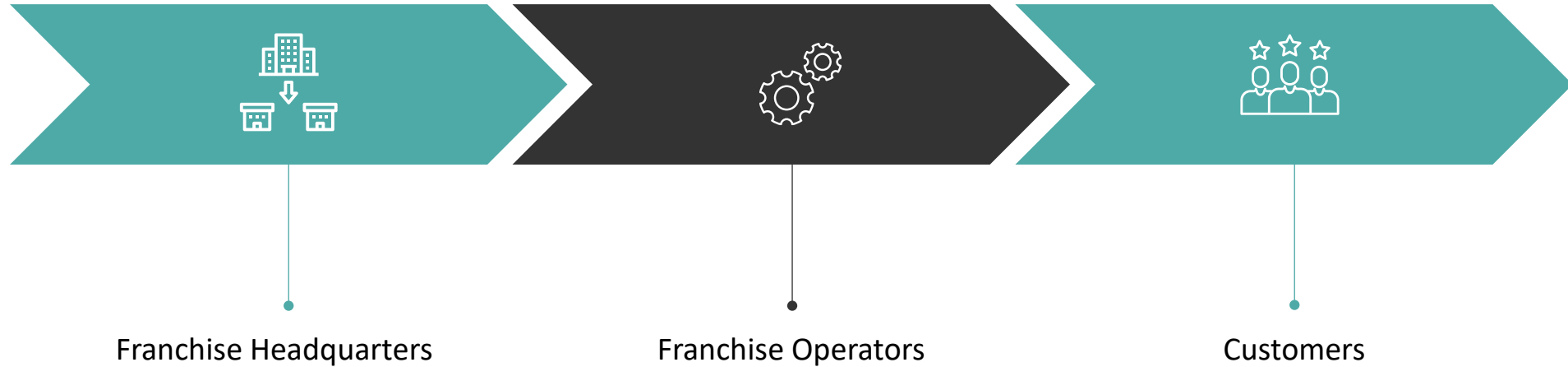
## A LICENSE TO USE

Name & Trademarks, Products, Business systems

## IN EXCHANGE FOR

Initial Franchise Fee, Ongoing Royalties

# A FRANCHISE IS...



...the creation of a distribution channel to build brand identity and attain market dominance **QUICKLY!**





# 7 REASONS

So why do people invest in franchises anyway?



## REASON #1: SYSTEM

When You Invest In A Franchise, You Invest In A System



Documented, Written Processes



Action already in place



The way they do business – client acquisition, accounting, operations, marketing, purchasing, sales, etc. **THE FRANCHISE HAS CREATED A MARKETABLE PROCESS!**



# FRANCHISING FACT

FACT : It Is All About The Business System



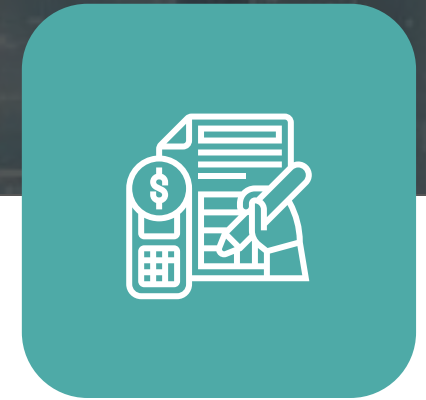
Marketing



Sales



Operations



Accounting



## REASON #2 PREDICTABILITY

A Proven System With  
Predictable Results



If it works in Dallas, it  
should work in San Diego or  
Denver



The Predictability  
minimizes the risk



Can compare and make adjustments  
to match results



# REASON #3 THE RESEARCH

Using The Franchise Disclosure Document



The FDD allows research of existing results



Validation with other franchisees



Can compare with other companies





## REASON #4 OTHERS IN SYSTEM

Other People Are Doing It,  
Why Not You?



Sense of family in franchising



You are not alone



Others can help you with research through  
validation



Minimizes risk



## REASON #5 SUPPORT

Franchisors Support Their System  
Through Royalties



Corporate support in areas such as marketing, advertising, product development, negotiated purchasing power, IT



Conferences, Seminars, Webinars



Training



Custom back office services and software



YOU'RE IN BUSINESS

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For Yourself

NOT

By Yourself



# REASON #6: FINANCING

Franchises Are Financeable



Funding available up to 75% because of proven system



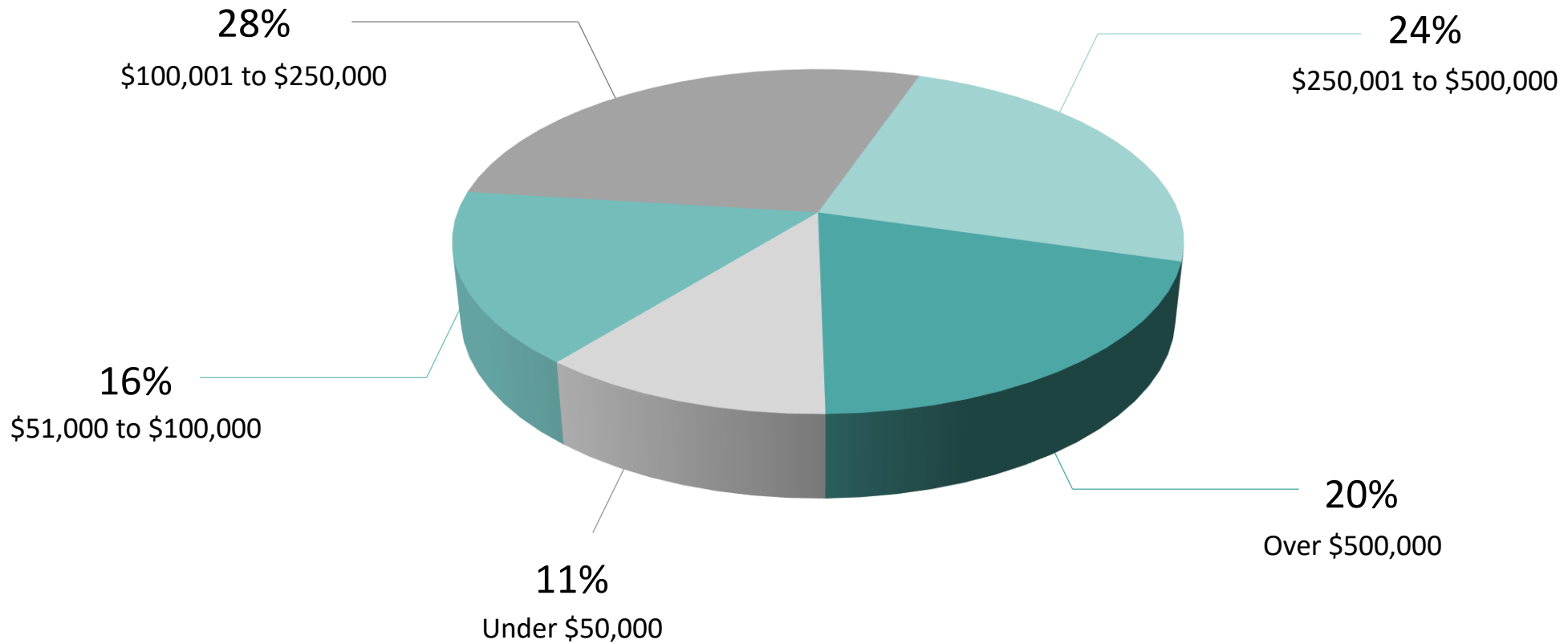
Business startups are difficult to finance



Ways to finance – HELOC, loans, Retirement accounts

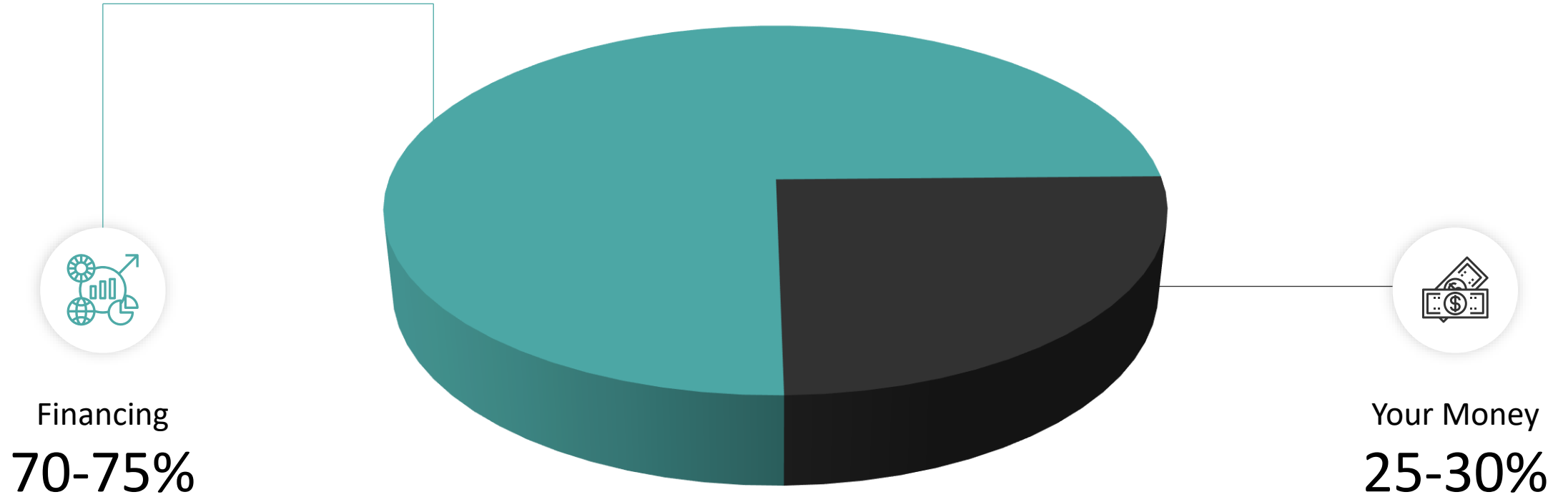
# FRANCHISING FACT

## Average Initial Investment Range



There is no automatic correlation between the cost of the franchise and the potential return.

# HOW MUCH DO I NEED?



# FINANCING RESOURCES



Personal savings



Friends, relatives or partner



Home equity line of credit



Seller financing – resale



401K, IRA, etc.

# REASON #7: SEMI-ABSENTEE

Work On The Business, Not In The Business



Hire employees



Allows for second income stream – keep your job!



No need to work day-to-day in the business



Function of the owner vs. function of the business



# Franchise Matchmakers™

## SEMI-ABSENTEE BUSINESS MODEL

### Slightly Higher Investments

Needs a location

Manager to run

Advertising dollars

### Popular Segments

Hair

Beauty

Fitness

Wellness

Building/Construction

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# SEMI-ABSENTEE BUSINESS MODEL



Keep your job



Owners work is after hours



Can monitor remotely



Growth and investment to hedge against economic changes

# FRANCHISING FACT



## Franchisors want people who...



Will use their system



Will focus on being an owner



With business and management skills



With people and communication skills



Proven Process  
Franchisor trains on how to use their system



# ESSENTIAL BUSINESSES

Many businesses thrive in all economic conditions,  
INCLUDING POST-PANDEMIC!

Growing markets driven by demographics	Essential Services	Businesses that help other small businesses
<ul style="list-style-type: none"><li>• Senior Care and Services</li><li>• Residential Repairs/ Home Modification</li><li>• Cleaning Services</li></ul>	<ul style="list-style-type: none"><li>• Hair Care/Beauty</li><li>• Fitness</li><li>• Automotive</li><li>• Damage Restoration</li></ul>	<ul style="list-style-type: none"><li>• Business coaching</li><li>• Digital Marketing/Advertising</li><li>• Staffing</li><li>• Sales/Employee Training</li></ul>

# BUSINESS OWNERSHIP OPTIONS

Start a Business From Scratch

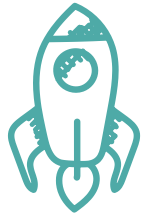


Buy a Franchise



Buy an Existing Business





Start a Business From  
Scratch

## BUY AN EXISTING BUSINESS

### Advantages

- Total Control
- Make all decisions
- Room for creativity
- No predetermined rules
- Large upside
- Build a business from your passion

### Disadvantages

- Must create systems
- Limited financial options
- Slow ramp-up
- High failure rate

## START A BUSINESS



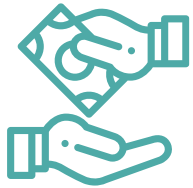
Buy an Existing Business

### Advantages

- Cash flow
- Goodwill
- Actual financial results
- Attractive to lenders
- Market established
- Customer base
- Employees
- Systems may be in place
- Owner financing

### Disadvantages

- Cash flow
- Reputation
- May be overpriced
- Poor training and support
- Hidden seller motives
- Employee/Customer defection
- Higher debt service



Buy a Franchise

## BUY A FRANCHISE

### Advantages

- Name recognition/  
Licensed trademark
- Proven business system
- Training and support
- Lowered risk
- More financing options
- Disclosure/Research
- Franchise family

### Disadvantages

- Higher initial costs
- Restrictive operating system  
*(in some franchises)*
- Territories
- Can only sell their products
- Ongoing royalty payments



# WHY OWN A FRANCHISE

*A franchise is a great fit for you when it's...*

A vehicle that can get you to your destination  
(retirement) while meeting your lifestyle and  
financial goals

Can earn an income and grow equity which can't  
be done with a job

A way to reduce risk

Income security vs. job security



# FINDING YOUR PERFECT FIT

Separate the business owner from the  
function of the business!



# FINDING YOUR PERFECT FIT



Am I willing to follow the franchisor's system?



Is it affordable for me?



Is the risk level acceptable for me?



Will I enjoy my business?  
Will I respect it?

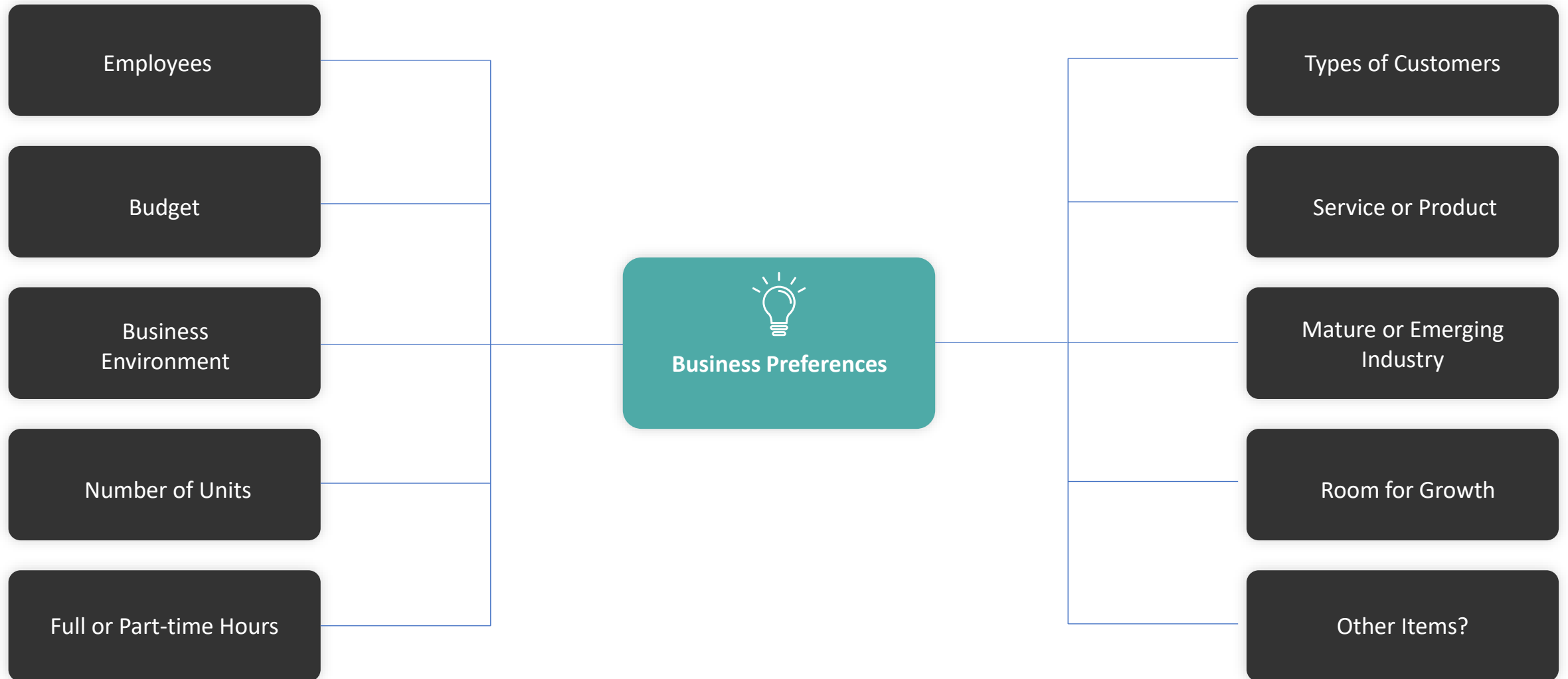




# WHAT IS IMPORTANT TO YOU?

- Challenge, recognition, prestige
- Build equity for retirement
- Keep your job
- Time for family and interests
- Independence and control
- Financial security

# WHAT ARE THE IDEAL COMPONENTS FOR YOU?



# WHAT SKILLS DO YOU BRING TO THE TABLE?

Sales & Marketing



Customer Service



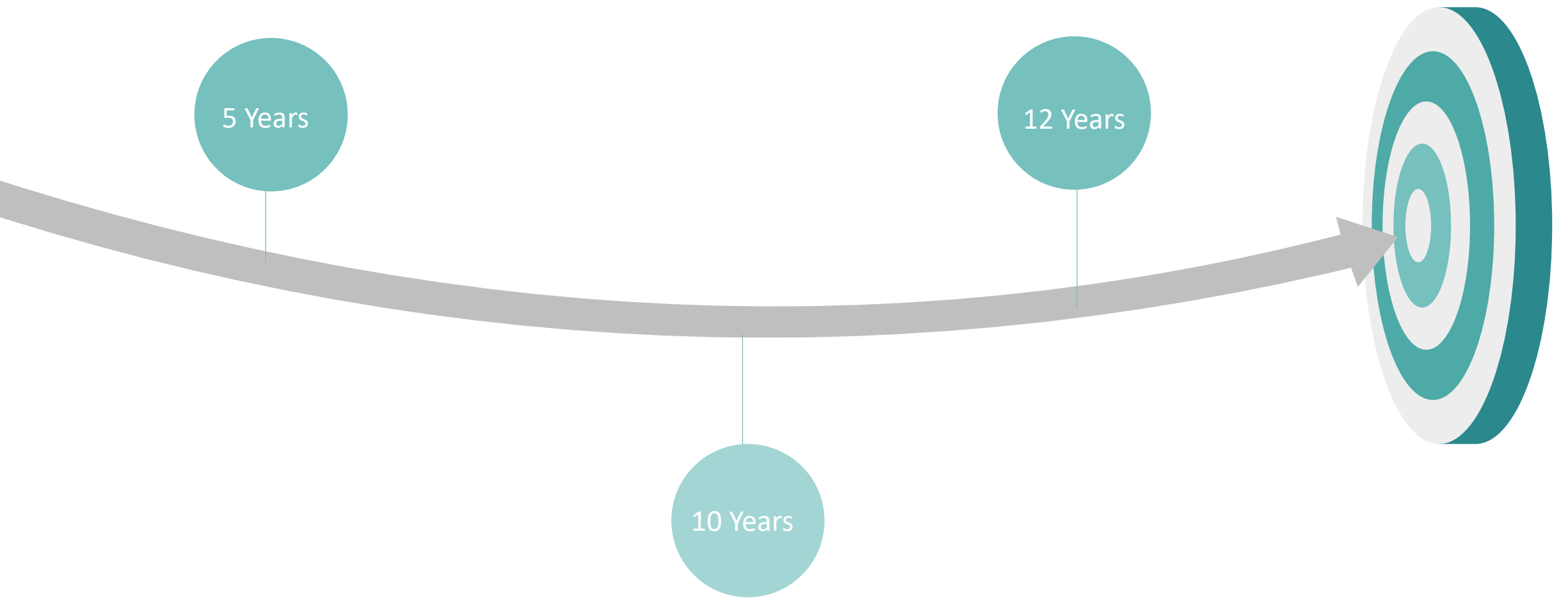
Operations & Management



HR/financial Management



# WHERE DO YOU WANT TO BE IN THE FUTURE?



Identify your Financial & Lifestyle Goals

# ADDITIONAL RESOURCES



## PROFESSIONAL ADVISORS

- Franchise Attorney
- Accountant

## SUGGESTED READING

- Essential Franchise Buyer's Guide (download)
- E-Myth Revisited, by Michael Gerber
- Street Smart Franchising, by Joe Matthews
- Profit First, by Mike Michalowicz



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Text  
“Franchise”  
to  
720-358-7290

Thank you!

**Franchise  
Matchmakers™** 

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