

# Why And How To Buy A Franchise: An Exciting Alternative To A Corporate Job

**Pete Gilfillan**

Entrepreneur, Franchise Consultant  
and International Bestselling author  
of *HIRE YOURSELF*





## My Story



**TEREX®**

# Why Am I Here Today?

**“The size of your life is  
determined by the size of the  
problem that you solve”**

Darren Hardy

*Business Advisor, Former Publisher SUCCESS  
Magazine and New York Times Bestselling author*



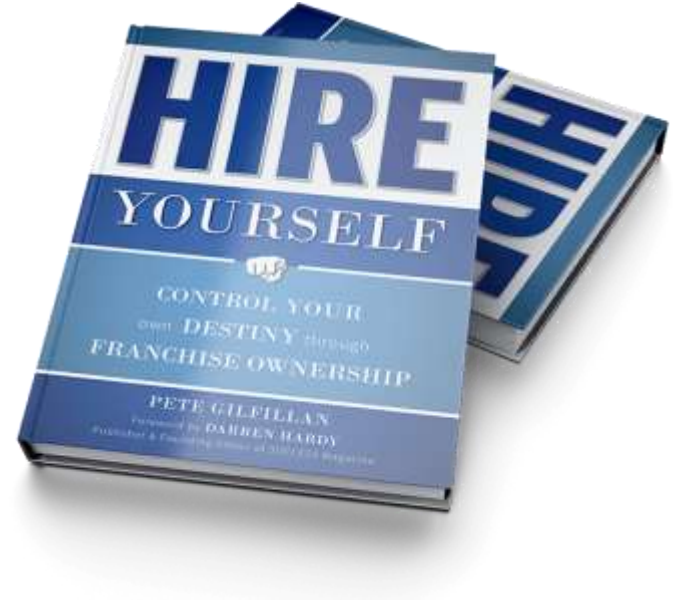
# My Problem To Help Solve...

An entire generation of our workforce is caught up in the defeatist mindset that traditional employment is the only way to create career and income security.



# Why I Wrote HIRE YOURSELF

To help executives take control of their destiny, build wealth, and live life on their terms.



# My Promise To You

To teach you all about franchising and offer you great resources at the end of this webinar





# What We Will Cover Today....

- 1 Why franchising is the next great career path
- 2 How franchising works
- 3 How to determine if franchising is the right option for you
- 4 What are the secrets to franchise ownership
- 5 How to find a franchise



# Corporate Job Landscape Has Changed

**Employee downsizing** has continued (*different reasons*)

Companies learned how to operate leaner

**Middle management squeezed** - fewer layers of management

**Employer** – Employee loyalty eroded substantially

**50+ workers** hit hardest (**AGEISM**)

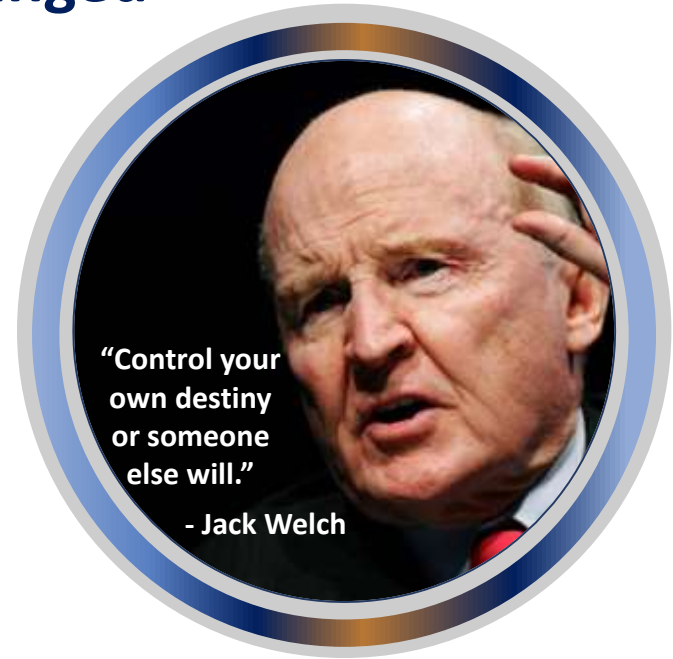
**Jobs** = income security and career stability paradigm challenged

**Employees less satisfied with jobs** - 79% workers unsatisfied



# Embrace Career Change Or Be Changed

- Unemployment rate declines deceptive
  - More part-time jobs
  - More self employed
- Under-employed and contract work...  
a new reality
- Employees now change jobs every 4 years versus  
30-year career
- More intense age and unemployment  
discrimination



# Top Reasons People Are Ready For Career Change

<b>Laid-off or downsized</b>	<b>Industry or company changing</b>	<b>Burned-out</b>	<b>Unsatisfied</b>
<b>Planning ahead – setting up exit plan</b>	<b>Not ready to stop working or retire</b>	<b>Need fresh start</b>	<b>Dreamed of being entrepreneur</b>

# How Do You Go With The Change

Explore the many ways to generate an income:

- **New job** – same level position and compensation
- **New job** – lesser position/underemployed
- Contract work
- Consulting
- Start a business – come up with the “big idea” and prove out concept
- Buy existing business
- Invest in a **FRANCHISE BUSINESS**
- Set up multiple income streams



TIME  
for  
Change

# Why More People Are Taking Path Of Franchise Ownership

- ✓ Take control of destiny
- ✓ Create income
- ✓ Build asset
- ✓ Be own boss
- ✓ Make a difference
- ✓ Be engaged
- ✓ Create income security



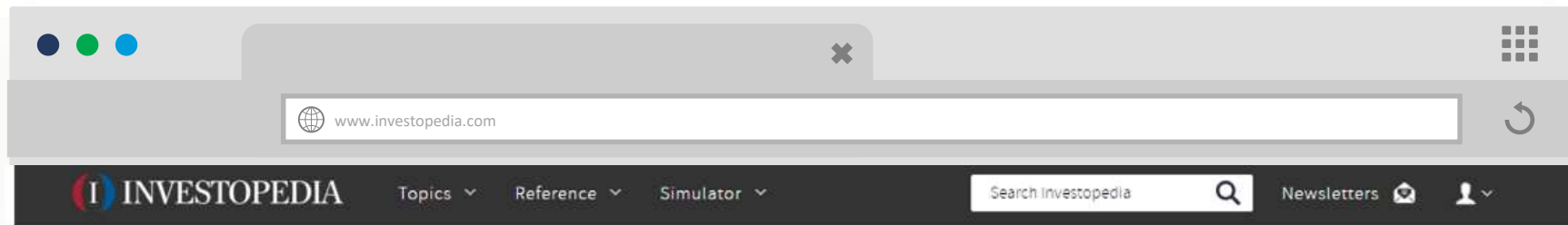
- ✓ Be rewarded for hard work
- ✓ Build and lead team
- ✓ Be happy, satisfied and proud
- ✓ Create family business
- ✓ Better control and ROI on capital
- ✓ Best Ageism

# Franchising Is Booming

- **Franchising is more than**  
Subway, Dunkin Donuts and McDonald's
- **According to IFA** – Over 3,000 franchise companies in 75 different industries - *touch almost every aspect of our daily life*
- Franchise businesses make a significant contribution to U.S. economy  
*(sales and jobs)*







# What Is A Franchise?

A franchise is a type of **license** that a party (**franchisee**) acquires to allow them to have access to a business's (the **franchisor**) proprietary knowledge, processes and **trademarks** in order to allow the party to sell a product or provide a service under the business's name. In exchange for gaining the franchise, the franchisee usually pays the franchisor initial start-up and annual **licensing fees**.

## Next Up

<a href="#">ENTREPRENEUR</a>	<a href="#">TRADEMARK</a>	<a href="#">BUSINESS STARTS INDEX</a>	<a href="#">LICENSING AGREEMENT</a>	>
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## BREAKING DOWN 'Franchise'



**SUBWAY**  
**DAIRY QUEEN**  
**MCDONALD'S**



# Franchising = Entrepreneur Lite

**Provide proven  
system**

**Business in a box -  
turnkey**

**Provide training  
and on-going  
support**

**Value of being  
part of network  
franchisees**

**Improve  
success ratio -**

**Saves you the time**

**Capital associated with developing**

**Proving out and refining your own business concept/model**



# Franchisee Engagement

## Three Levels of Engagement:



# Growing Movement

## Semi-absentee franchise ownership

Franchise ownership where you work **“On”** the business versus work **“In”** the business. You set the overall direction and make the key decisions while oversee a manager that manages the business



# Why Semi-absentee Franchise Ownership



**Investing in franchise**  
to build wealth versus  
buying a job



**Leveraging**  
the experience  
gained in the  
corporate career



**Diversify**  
assets and income



**Setting-Up**  
next phase of  
career / life

CONSULTING  
REGULATION  
LOCATION  
EXCLUS  
INVESTMENT  
FRANCHISE  
MODEL  
OPPORTUNITY  
REGULATION  
SOCIAL  
APPROA  
HOME-BASED



# How Much Time?

While investing in a traditional owner/operator type franchise can demand more than 40 hours a week, especially at the outset, executive model franchises are designed to be run by managers and overseen by the investor.

The early days of setting up a successful business, and just getting it on it's feet

**10 - 20**  
Hours a Week

Once your business is running smoothly, take a step back.

**4 - 10**  
Hours a Week



# Secret Of Multi-Unit Ownership

Create wealth by leveraging your time and available capital to build a larger business

THE WALL STREET JOURNAL



# Franchise Models

## Service Based:

- Home based
- Non-home based service
- Heavy outbound sales



## Facility Based:

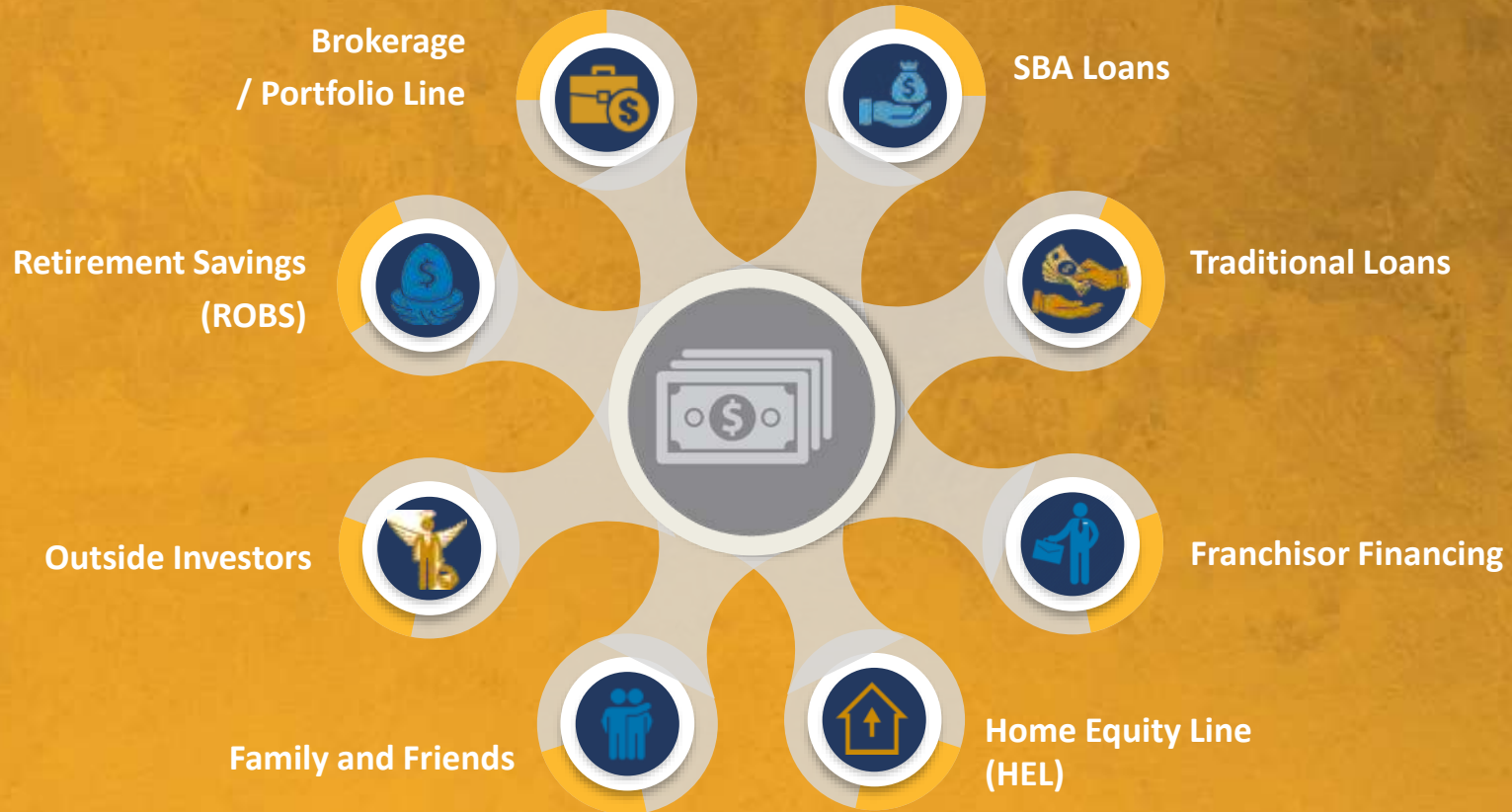
- Light retail – under \$250K initial investment
- Large retail – over \$250K initial investment

# How To Capitalize A Franchise

- **Need minimum of**  
\$75K - \$100K liquid capital
- **Liquid capital:** Can be cash, stocks, bonds, equity in your home (HEL) and retirement savings (ROBS)
- **Funding Resources:** SBA loans, traditional loans, franchisor financing, outside investors and family/friends



# Funding Resources





# Compelling Math...

**Why owning a franchise is an investment versus buying a job:**

- **Generate Strong ROI:** Invest \$200K in a franchise business that generates \$100K in cash-flow /income on an ongoing basis (50% ROI)
- **Build Asset:** \$200K in salary isn't an asset but \$200k in cash-flow from a business is an asset that may be sold at a multiple



# How Franchising Pays You in the Executive Model

	Corporate Executive Salary	Franchise Profits and Asset Value		
Year 1	\$200,000 Salary	UNIT 1 \$0 Salary		
Year 2	\$210,000 Salary	UNIT 1 \$100,000	UNIT 2: \$0	
Year 3	\$220,000 Salary	UNIT 1 \$125,000	UNIT 2 \$50,000	UNIT 3 \$0
Year 4	\$230,000 Salary	UNIT 1 \$125,000	UNIT 2 \$125,000	UNIT 3 \$50,000
Year 5 and on	\$240,000 Salary	UNIT 1 \$125,000	UNIT 2 \$125,000	UNIT 3 \$125,000
5-Year Asset Check:	\$0 asset value of job	<b>\$1,125,000</b> Minimum Asset Value of 3 Franchise Units		

# Disadvantages Of Franchises



Start-up  
cost/franchise fee

Ongoing royalty payments

Franchise company restrictions

Must follow system

Selecting wrong franchise concept can be painful ☹️

# Finding A Franchise That Fits You

1

Know the characteristics of what you are looking for in a business

2

Know what you want to accomplish with the business

3

Leverage a proven investigation process



4

Keep an open mind

5

Have FUN with your investigations

6

Remember don't turn your hobby into your business

# Finding A Franchise That Fits You

## Good

Utilize franchise inquiry websites

Example: [www.franchisegator.com](http://www.franchisegator.com)



## Better

Contact franchise companies directly

Example: [www.supercuts.com](http://www.supercuts.com)



## Best

Leverage franchise consultant (free service)

Example: [HIREYOURSELF.com/Gilfillan](http://HIREYOURSELF.com/Gilfillan)





# HIRE YOURSELF Investigation Process



# Determine What Characteristics Are Important To You

- Level of engagement /involvement
- Desired income/cash-flow
- Manage and lead employees
- Growth/scale
- Location
- Status
- Comfort level with sales
- Family
- Schedule
- Risk tolerance
- Duration



## Know Your Skills And Strengths...



- Sales and business development
- Managing and leading people
- Ability to follow process
- Satisfy customers
- Process change and evolve over time

# Do You Have The Traits Of A Successful Business Owner

- Disciplined
- Confident
- Open-minded
- Self-starter
- Competitive

- Creative
- Determined
- Passionate
- Strong people skills
- Strong work ethic



# Do You Have The Five C's

## Critical Characteristics:

**CAPACITY**

**CUSTOMER  
SATISFACTION**

**CHARACTER**

**CAPITAL**

**COOPERATION**



# Franchise Investigation Process

Four Core Steps : Over Six Week Period

Determine key characteristics and what want to accomplish



Franchise Introductions

Introduction Call

Franchise Disclosure Document

Franchisee Validation

Discovery / Meet Team Day



Determine engagement level and franchise category type



**Other Steps:** Marketing Overview, Training Overview and Funding Plan





# Introduction Call

## Three Things Happen On Introduction Call:

- 1 Provide a very detailed overview of the business opportunity
- 2 Ask questions and get answers
- 3 Get to know each other - develop relationship



# Franchise Disclosure Document (FDD)

- Mandated by Federal Trade Commission (FTC). All franchise companies are required to have an FDD.
- Designed to ensure you are informed investor – similar purpose as stock prospectus
- Standard format – 23 Items (sections)
- Provides key information like fees and initial investment estimate, franchisee obligations, company background, and experience of leadership team



# Validation Calls

- Validation calls are with existing franchisees and the most important part of your due diligence
- Best way to get a true understanding of the financial potential of the franchise business
- Franchisees will provide candid and honest feedback about the franchise concept
- Validation can be done with group calls where one franchisee will answer questions from several prospective franchisees. Or one-on-one calls can be done with a franchisee



# Discovery Day Visits

**Attend a franchisor discovery day to:** Meet the leadership team

- Meet the support staff that will help launch your business and support you on an ongoing basis
- Ask your final questions
- See the business operations
- Prepare yourself to make a decision (yes or no)



# Things To Consider When Investigating Franchisor?

- 
- 1 Experience of leadership team
  - 2 Launch support and training
  - 3 Franchisee satisfaction
  - 4 Image and reputation
  - 5 Size of franchise system
  - 6 Up coming concept or established
  - 7 Culture/Feel
  - 8 Marketing model
  - 9 On-going support
  - 10 Level assistance with site selection and build out
  - 11 Financial strength of franchise company

# Why People Go Through Investigation Process And Don't Invest In A Franchise

Business ownership  
isn't for everyone

It is A LOT of work

FEAR and ANXIETY  
stops many people from  
following their dreams

Lack of capital

Still believe a job =  
income security

Maverick mentality

Family and friends kill  
person's dream

Not capable of making  
a decision







Prior to joining McDonnell, he was Chief Information Officer (CIO) and EVP, Operations Support for SP Plus Corporation, providing services in parking, transportation, facility management and event logistics.

Mr. Evans also has a variety of experience in the financial and strategic areas, working both within industry and in various consulting companies.

An Oklahoma native, Mr. Evans holds a B.A. in Quantitative Economics from Stanford University and an M.B.A. from the Kellogg Graduate School of Management at Northwestern University. Mr. Evans invested in his first franchise in September of 2016

## Case Study

Keith Evans is Managing Director Operations and Technology, for McDonnell Investment Management.

**Listen To Keith  
Success Story**

**Keith's story can be found here**  
<https://youtu.be/mK4BZPdfgYE>



# Great Questions To Ask Yourself...

- ✓ Do you want to control your destiny?
- ✓ Are you going to change or be changed?
- ✓ Do you have what it takes to a be business owner?
- ✓ Are you willing to invest in yourself?
- ✓ Will you let fear or a false sense of security hold you back from following your dreams?
- ✓ Do you want to set-up real income and career stability?

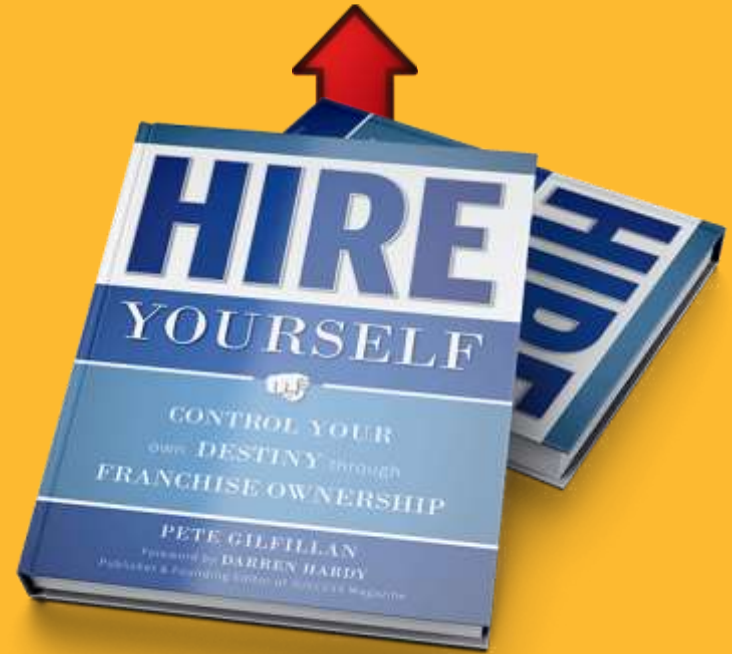


# WANT TO LEARN MORE? PLUS Great Resources

REQUEST CONSULTATION CALL

- ✓ Request a free quick consultation call
- ✓ Receive a free copy of my Amazon bestselling book **HIRE YOURSELF** and the **HIRE YOURSELF Supplemental Resource Guide**
- ✓ Receive a free copy of the **HIRE YOURSELF Franchise Investment Guide**
- ✓ Gain full access to the **HIRE YOURSELF BOOK RESOURCE CENTER**  
[www.hireyourselfbook.com](http://www.hireyourselfbook.com)

Request  
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## In Summary

# Thank You

To connect with Pete Gilfillan for more information, please submit your name and email through the following link:

**[execunet.com/HIREYOURSELF](https://execunet.com/HIREYOURSELF)**

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