In class Assignment

**Franchise Pros and Cons**

You want to start your own business: congratulations! After reading about the pros and cons of franchises, choose one of the many franchises out there and decide which one is right for you. Include three reasons for their decision as well as one concern you may have.

The pros and cons you may consider are summarized below:

Pros:

Reduced risk of failure

* Start-up assistance in the form of training, advice, operational manuals, and sometimes, financing
* On-going training and support from franchiser
* Association and synergy with other franchisees for help/ideas
* Standardized/proven product and operational systems
* Product or service with brand-name recognition
* Collective buying power
* Assistance with sales and marketing
* Research and development support
* Some independence operating their business.

Cons:

* Restrictions set by franchiser (geographic, products, operations, vendors, etc.)
* Franchisees must pay ongoing royalties and advertising fees.
* The franchiser's problems are also the franchisee’s problems (e.g., poor image, limited advertising, supply problems, franchiser’s financial difficulties)
* The term of a franchise agreement is usually limited and the franchisee may have little or no say about the terms of a termination.
* Smaller profit margins
* Difficult to achieve redress if franchiser fails to meet obligations

Using the planning tools, posted on LEARN, Select two franchise opportunities that you would consider starting in your community. Research and record information about each business using the Franchise Worksheet. Use the highlight feature to identify which of the franchise has the advantage in each category. Submit it to the drop box