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# Can I Qualify for a Franchise?

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WHAT YOU NEED TO PASS A FRANCHISOR'S TEST



Although it may not be immediately evident, a franchise company is under no obligation to award a franchise to just anyone who can afford the franchise fee.

Like any good business, a franchise company will want to populate their system with great people. Since franchising has as its foundation a strong, consistent brand, a franchisor looks for franchisees who will present the brand in the most positive light. In the same manner, they will want to have only those people as franchisees who are able and willing to learn the system and work within the specific parameters of the business.

When researching a franchise company, you will find that they may have as many questions about you as you do about their company.

A franchisor is putting their time, money and reputation on the line, so most have developed a "profile" of a successful franchisee which they use to determine if you are "right" for their business.

While this may sound exclusionary, franchisors have a very good reason to learn what works and then to stick with it. Successful franchise companies want their franchisees to excel.

They have refined their systems around a set of standards they have learned franchisees need to thrive.

**These are the most common items a franchisor looks for in a potential franchisee:**

- **Capital.** This is one of the first hurdles you'll encounter when trying to qualify for a particular franchise.



**Peak Franchising** |

# Peak Franchising



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Most franchisors have a minimum net worth and liquid capital requirement for their franchisees. While this may seem obvious, there are other demands on cash availability beyond the initial costs of the franchise – such as the length of time it will take your business to start making money and the living expenses you will have during that time. There are financing options available that may help you qualify if you are short of capital, however no good franchisor will want to see you start out your business heavily in debt.

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- **Personality.** There are some personality characteristics that seem to be common in all successful franchisees. Other characteristics are specific to individual businesses. Are you willing to follow a system or are you the type who wants to do everything your own way? Do you enjoy working with people? Are you focused and decisive? Do you enjoy solving problems? Are you willing to work hard? These are some of the questions a franchisor may have for you and your answers will determine not only if you can qualify for a particular franchise but also if you will be a successful franchisee.
- **Skills.** Your skills are closely related to your personality. If you like working with people, chances are you will be good at it. Are you customer service focused? Can you lead a team of employees? Can you set and meet personal goals? Do you understand financial concepts? One attribute required by most franchisors is that you have business acumen and understand how the parts of a business contribute to the whole.
- **Experience.** Franchising is one area of business where your specific experience is less important than other factors. That's because of the excellent training provided by most franchise companies. In truth, many franchisors prefer franchisees without industry experience because it is easier to train someone in a franchisor's system than it is to "un-train" a franchisee who has ideas that may conflict with the way a franchise system works. Again, it is the overall business experience you've attained through life that will make you a "star" in a franchisor's eyes.

The goal for every franchisor is successful franchisees. As much as you may want to qualify for a franchise opportunity that interests you, remember that the franchisor has the background and experience to know what type of person makes a good franchisee in their system. If you encounter a franchise that doesn't discriminate when choosing franchisees – look out. They're just going for volume and hoping some of the businesses succeed. Stay clear of these companies as they will not be vested in helping you achieve your long term goals.

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