

## **Ask SCORE**

*I recently accepted a buyout from my former employer and have decided I want to go into business for myself. A number of people have suggested that I consider buying a franchise, as opposed to starting something on my own. Are franchises a good bet?*

Owning a franchise is often depicted as being in business for yourself, but not completely alone. A franchise owner works under a proven successful business structure. They also have access to proven operational and marketing strategies and the franchisor's institutional guidance.

But franchise ownership isn't an easy shortcut to success. As with any other kind of small business, it's up to you to commit the finances, time and effort to meet both the franchisor's goals and your own. That's why it pays to weigh the pros and cons of franchising to make sure it's right for you.

According to the International Franchise Association (IFA), franchised businesses are growing at a rapid pace. Some 400,000 franchised businesses now employ nearly 10 million people with a payroll of \$230 billion. There's always a hot new franchise on the scene. Curves, for example, a network of franchised women-only fitness centers, grew nearly 38% in a single recent year.

As you research franchises, ask about the required experience, if any, as well as the expected hours and personal commitment necessary to run the business. You also should learn about the franchisor's background. For example, what is the company's track record and how are other franchisees in the system doing? The upfront cost of buying the franchise is crucial, of course, but also how much you'll pay for the continuing right to operate the business and what products or services you will be required to buy from the franchisor.

The "Franchising Basics" section of IFA's website, [www.franchise.org](http://www.franchise.org), offers extensive information on how franchising works, online discussion forums that cater to prospective owners, and a searchable database of more than 1,200 franchise opportunities.

And, don't forget about your financing. If you're considering applying for a loan backed by the U.S. Small Business Administration, visit the SBA's Franchise Registry at [www.franchiseregistry.com](http://www.franchiseregistry.com). This service lists names of franchise companies whose franchisees enjoy the benefits of a streamlined review process for SBA loan applications. A faster review means better, faster service, allowing you to get your franchise off the ground sooner. Even if the franchisor is not a Franchise Registry participant, your loan application will still be reviewed individually by the SBA or its lenders.

*This column is brought to you by the Southern New Hampshire Chapter of SCORE, with more than 70 current and former business executives available to provide free, confidential, one-on-one business counseling and training workshops for area businesses. Call 603-666-7561 or visit [www.score-manchester.org](http://www.score-manchester.org) for information on counseling, upcoming workshops and volunteer opportunities. SCORE is a national, non-profit organization and a resource partner of the U. S. Small Business Administration.*

*Have a question you'd like answered in this column? E-mail it to [info@score-manchester.org](mailto:info@score-manchester.org), with "Ask SCORE" in the subject line.*