

# Franchise Disclosure Document

Sample Franchise Ltd

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## Franchise Popularity

The popularity of the franchise industry is simply explained:

Most new franchisee-unit start-ups survive where most independent new business start-ups fail within the critical first three years of foundation, because in franchising – such as with [Sample Franchise Ltd](#):

- The way the business operates is already proven by the Franchisor;
- The Franchisor has already paid the vast expense of developing the business through trial and error and charges the joining Franchisee only a bare fraction of that cost to copy a fully developed business;
- Franchisees are fully trained, supported in the difficult first months of operation and have an experienced member of staff from [Sample Franchise Ltd](#) to guide them through this time.
- Franchisor to provide support/advice;
- A Franchisee is supported by a growing network of other Franchisees and thus more powerful national advertising campaigns, support, image and product and service development; and
- Franchisors have the flexibility to react quickly to market information from across the country in order that their Franchisees stay ahead of trends in the market.

## Why Invest in a Franchise?

- Franchises offer an established brand name and market presence as the brand has already been established by the Franchisor and reinforced by many other franchises in other areas;
- Franchises have a greater success rate than independent small businesses as they are based on proven existing successful formulas of business;
- Franchise finance is easier to gain than independent small business finance as banks recognise that there is less risk involved in funding a franchise;
- Franchises offer an easy entry to an industry and are immediately competitive as they already have the branding, systems and supply chains in place;
- Franchises are safer in uncertain economic times as franchises operate from a proven model;
- Franchisor has a stake in the Franchisee's success. The Franchisor is motivated to ensure the success of the Franchisee;
- The [Sample Franchise Ltd](#) Franchisor provides training and ongoing support;
- The [Sample Franchise Ltd](#) Franchises offer simplified and pre-researched buying procedures;
- The [Sample Franchise Ltd](#) Franchisors ensure that each Franchisee has an exclusive territory;
- The [Sample Franchise Ltd](#) Franchisor and Franchisees are working towards common goals;

## Our Franchise Expansion

[Sample Franchise Ltd](#) has thoroughly designed the strategic development of the franchise initiative. Short, medium and long-term targets have been defined to plan and successfully manage the expansion of the Franchise System.

Uncontrolled business expansion has many disadvantages. [Sample Franchise Ltd](#) has taken positive steps to manage the process in a logical, well defined progression. It is critical to [Sample Franchise Ltd](#) success that the Franchisee support services are developed as the Franchise System expands.

## Obligations of the Franchisee and Franchisor

The responsibilities and obligations are specified in the Franchise Agreement that binds both parties to particular obligations and performance standards.

### The Franchisee

The responsibilities that we expect are geared towards making you a successful Franchisee and business in your own right and focus on protecting and growing your sales and product range and focusing on the customer. Generally your responsibilities as a Franchisee to us, the Franchisor, and your customers includes:

- Conduct all obligations and client dealings as contracted in accordance with [Sample Franchise Ltd](#) standards;
- Understand and deliver the best quality [Sample Franchise Ltd](#) product with exceptional customer service;
- Advertising and promoting the business within the territory through local newspapers, flyers, and relationships and online with local businesses etc;
- Abiding by [Sample Franchise Ltd](#) performance standards, business systems and procedures, as stated in the Franchise Manuals;
- Familiarising yourself with all product information supplied by [Sample Franchise Ltd](#) ;
- Employing, contracting, managing and training staff as required;
- Providing the [Sample Franchise Ltd](#) with weekly reports including financial data and advertising information, as stated in the Franchise Manuals;
- Business planning, including the setting of goals, strategies and budgets;
- Attending meetings and seminars arranged by [Sample Franchise Ltd](#);
- Pay own and employees' wages;
- Communicate regularly with [Sample Franchise Ltd](#);
- Follow marketing strategy for reaching potential new clients and follow up leads;
- Prepare basic daily plan in order to connect with possible clients and review their needs;
- Update client data base;
- Reconcile daily, weekly, monthly and annual reports together with general office administration.

## Financials

Appendix 1 contains the financial information that we have collated based on our experience in the Industry and also that of our Franchisees. Please note however that the figures given are indicative only and we make no representations, guaranties or promises that the level of sales and profitability will apply to your Franchise. You are ultimately responsible for the success of your franchise.

We strongly recommend that you seek independent legal and accounting advice and put together your own figures and make your own decision based on the figures that you produce.

## Time Frame

The timeframe we work to is normally defined by the speed at which are comfortable with. Once you have studied this Disclosure Document and are happy to move to the next stage, you can enter into a due diligence stage with us. At this stage we will provide you with a copy of the Franchise Agreement.

Assuming that you are willing to proceed, we will sign an Agreement to Proceed with you and receive a deposit. This secures your desired Territory exclusively for you. We will then map put a timeline. This timeline includes signing the franchise agreement between us and paying the franchise fee. We then move to the implementation stage and identify premises, organise the fit out and organise the initial marketing.

## Available Locations

At the time of releasing this document to you, the following locations are available. Please note that this list may change with prospective Franchisees signing Agreements to Proceed and therefore securing a specific area for themselves.

<<List Specific Locations Available>>