

PURCHASING TIMELINE

4 steps to signing your new Franchise Agreement

Buying a Franchise? Well you are entering into a thriving industry. Australia is the franchising capital of the world with over 1,120 franchise systems who between them have over 79,000 franchised business units which are worth more than 144 billion to the economy. Per capita, that makes us Aussies the leaders in franchising, so therefore there are a lot of opportunities for Australians to buy into a franchise business. Lets make sure you chose a franchise that is right for you.

The Australian Competition and Consumer Commission have a Code of Conduct that the Franchise industry must operate under. In this code of conduct you will learn many things, the process to purchase your franchised unit is but one. Download your copy from <http://www.franchise.org.au/franchising-code-of-conduct.html>

STEP 1

APPLICATION PROCESS

Complete the Franchisors application process.

As soon as practicable the Franchisor must provide an Information Statement.

To learn more about franchising in Australia, here is a link to a FREE course from Griffith University that I recommend you complete. You even get certificates to show that you have completed this course. It is jam packed full of information presented in video form that is easy to understand. <http://www.franchise.edu.au/home/education/for-franchisees/pre-entry-franchise-education>

Buying a franchised business at first appears confusing and daunting, but it needn't be.

STEP 2

CONFIDENTIALITY AGREEMENT

Once you have been selected as a prospective franchisee you will be required to sign a confidentiality agreement to be issued with:

- the disclosure document
- the franchise agreement in the format that the eventual franchise agreement will be issued
- the Franchising Code of Conduct
- Letter of Offer

STEP 3

FRANCHISE AGREEMENT

You now have a minimum 14 day period before you have to sign the real Franchise Agreement.

Use this time to conduct your due diligence.

Take the ASK approach. Take longer than the 14 days if you need it.

Be absolutely sure that you want to do this franchising gig before you take the next step.

STEP 4

NON-REFUNDABLE DEPOSIT

Sign the Franchise Agreement and pay a non-refundable deposit.

You then have another cooling off period for seven days. This is your absolutely last chance to change your mind. If you do change your mind here and back out, the franchisor is obligated to return your deposit within 14 days from the moment you advise them you are backing out, but they are able to deduct "reasonable expenses". These reasonable expenses will be outlined in the Franchise Agreement you just signed.

Be sure that the franchise you are buying into is the right fit for you. Its kinda like getting married so be sure you chose a partner you want to spend a lot of time with!