



Creating Your Corporate Exit Strategy

Agenda

Elephant in the Room: Covid 19/Recession

Dilemma: Job vs Business

What and Why of Franchise Investing

Case Study

Next Steps

Q/A: Get your phone ready

Page Nicol

FranNet, Franchise Specialist

- 30+ Years experience in the Franchise Industry
- 20+ Years as Owner of FranNet Pacific NW and So Cal
- 25 Years as Master Franchisee for Mail Boxes Etc. and The UPS Store
- McDermott and Bull Sponsor



NOT OUR FIRST RODEO ...

PAST:

Dotcom bust, 9/11, Great Recession

PRESENT:

COVID-19

Focus:

- Recession-resistant
- Essential Services
- Lower Rents/Construction Costs
- Better Financing Options

Dilemma ...

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Security,
Predictability,
Familiarity

or

Control,
Autonomy,
Freedom

Job

Ownership



Security,
Predictability,
Familiarity

or

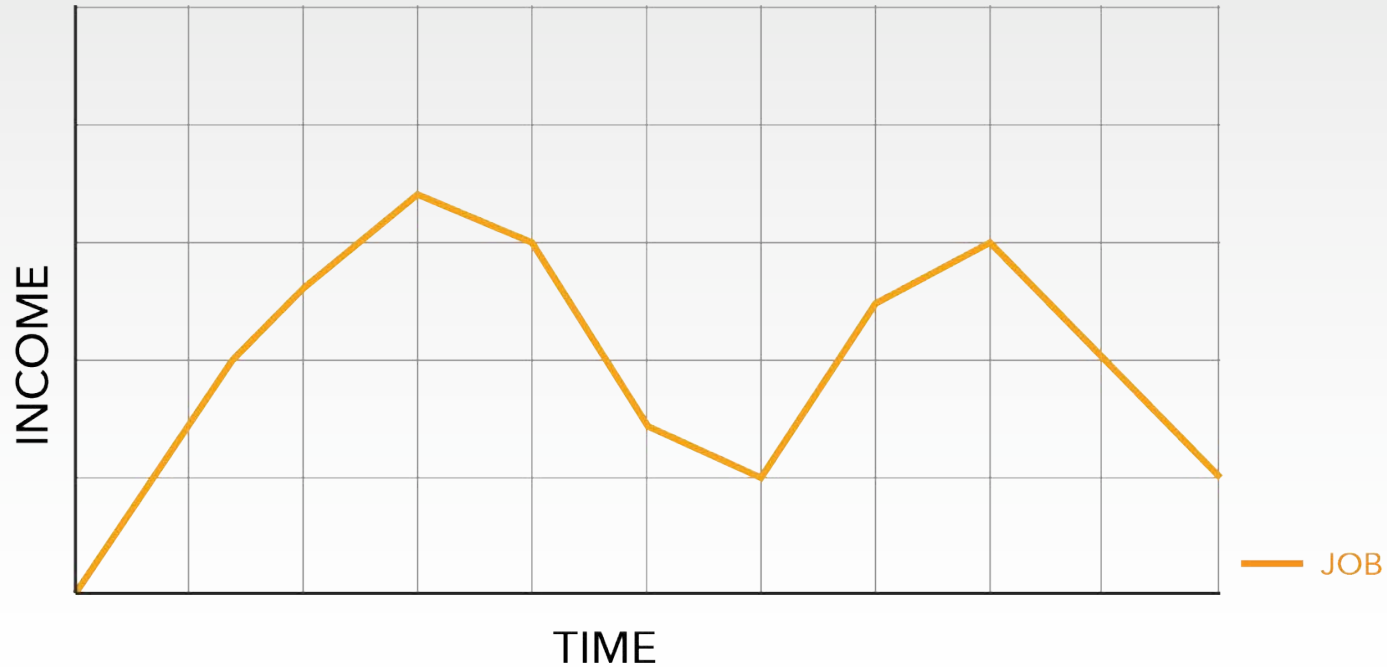
Control,
Autonomy,
Freedom

Job

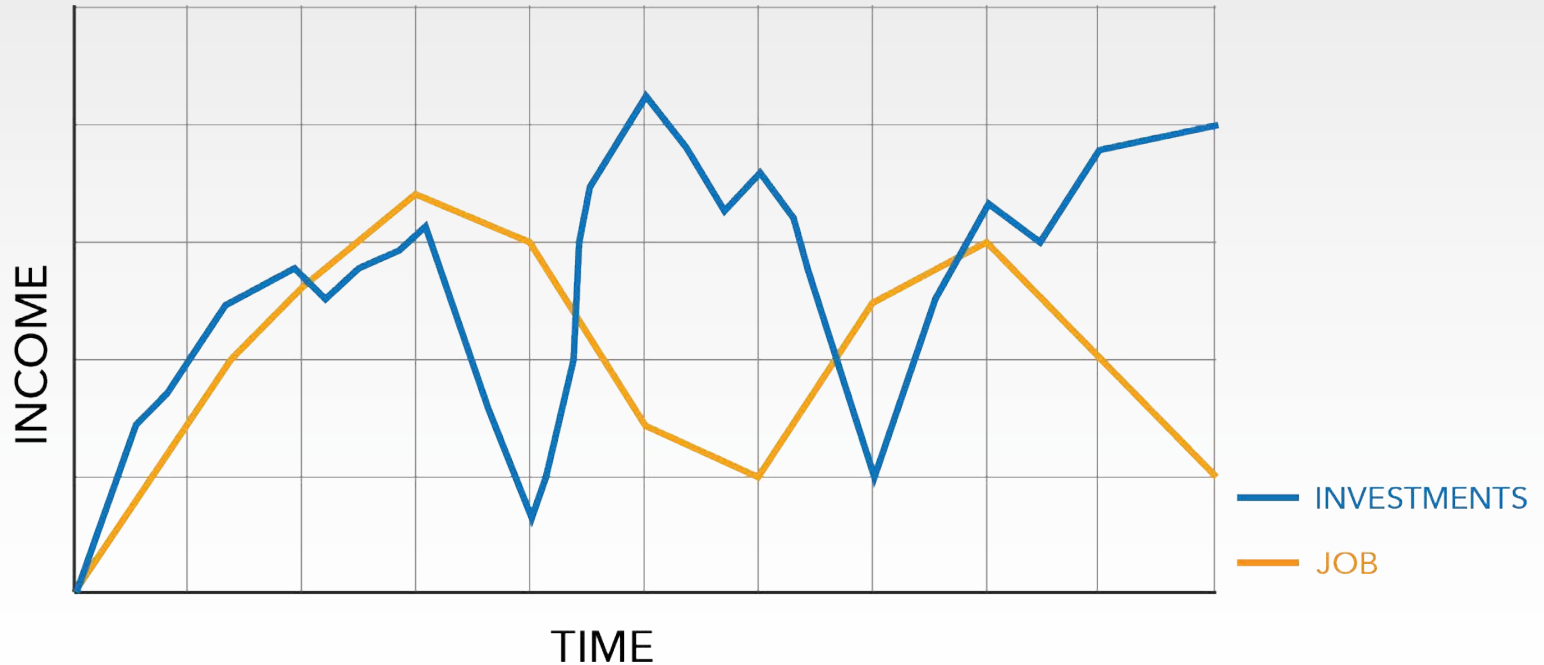
Ownership

How can I safely make a change?

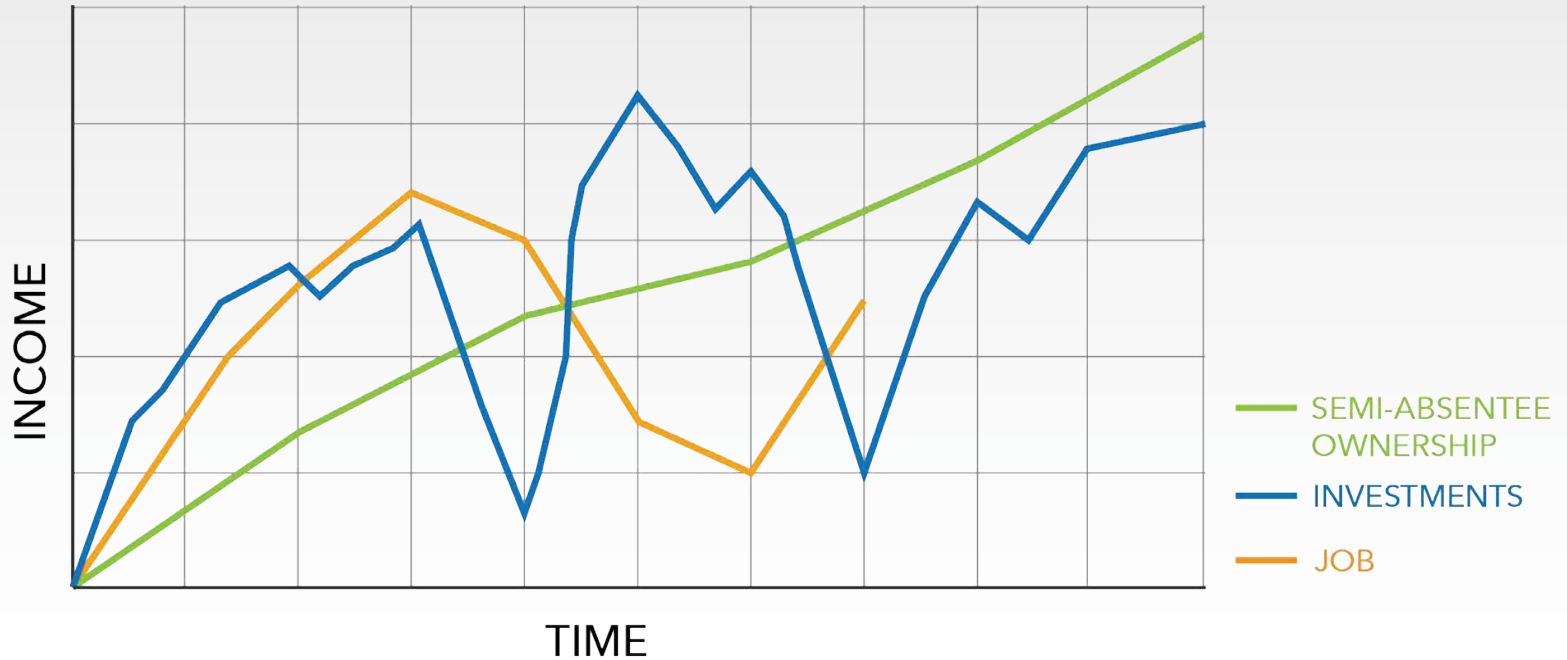
Change ...



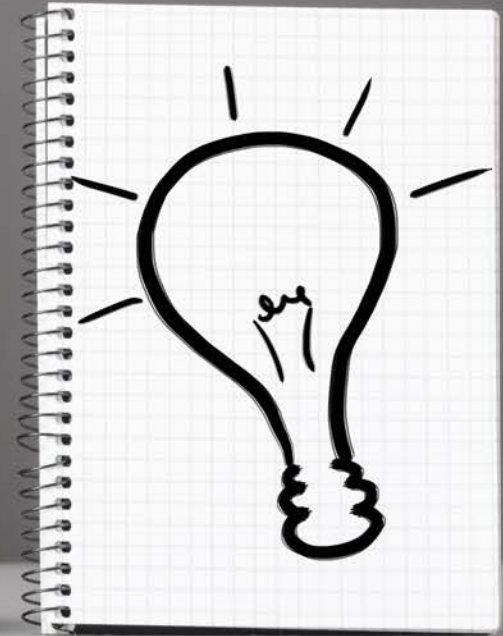
and more change ...



Franchise Investment



Semi-Absentee Ownership





OWNER

- Manage the Manager
- Oversee KPIs
- Hiring*
- Marketing
- Run business remotely

**Employees are often trained/certified in their trade*



OWNER

- Keep job/business
- Work “on”, not “in”
- 8-10 hours/week
- Leadership
- No industry experience



LOCATION

- Often store front
- Secure prime real estate
- Multi-unit



FOCUS

- Build Equity
- Empire Building
- Residual Income

How to Capitalize

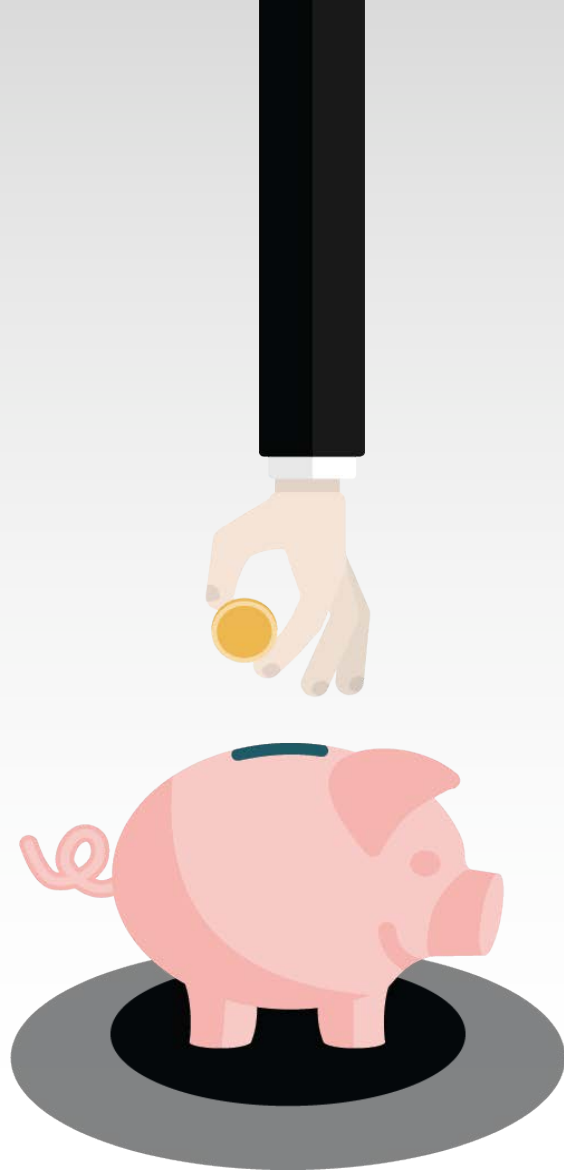
START

LIQUID CAPITAL

\$50k-\$100k

*Cash, stocks, bonds, equity
in your home (HELOC),
retirement savings (ROBS)*





FINANCING

\$180k+ Total investment

SBA loans

Traditional loans

Franchisor financing

Investors

Friends & Family



Joe Sandoval

Director of Logistics to Residential
& Commercial Junk Removal





Yuri Sudhakar
CEO to Healthcare Investor





Harpreet Sethi
Scientist to Health/Wellness





Michael Lee

Engineer to Health/Fitness Repair



The background of the slide is a photograph of a Sport Clips Haircuts storefront at dusk. The building is a single-story commercial structure with a light-colored facade. Two large, illuminated signs are mounted on the roofline, each featuring the 'SportClips' logo in red and white, with 'HAIRCUTS' in a smaller white box below. The sky is a deep blue with some clouds. A semi-transparent blue rectangular box is overlaid on the lower left portion of the image, containing the text 'Ron Chamberlain' and 'MBA to Mens' Hair Care' in white.

Ron Chamberlain

MBA to Mens' Hair Care



CLUB PILATES

Dan Wynkoop

Finance to Health/Fitness



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Why Invest in a Franchise?



Build Net
Worth

Semi-
to Full
Retirement

Diversify
Investment
Portfolio

Corporate
Exit
Strategy

Case Study



\$175K → \$5Million

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MBE/UPS Store

Purchase Price 1987	\$175,000
EBITDA Earnings Avg. 20 yrs.	\$150,000/yr
Owners Salary and Add backs*	\$75,000/yr
Seller's Discretionary Earnings (SDE)	\$225,000/yr

**Includes Owner's salary \$50K/yr, Add backs for owners car, auto expenses, medical insurance, misc \$25,000/yr.*

Case Study

Sales Price (3XSDE) \$675,000

Owners Net (\$675,000 - \$175,000) \$500,000
SDE X 20 Yrs. \$4.5 Million

Total Compensation \$5 Million

A close-up, shallow depth-of-field photograph of a workspace. In the foreground, a white paper with a business overview chart is spread out. The chart has a green bar for 'TOTAL REVENUE' and an orange bar for 'TOTAL INVESTMENT'. A red pen lies diagonally across the paper. A pair of red-rimmed glasses rests on the right side of the paper. To the right of the paper, a white smartphone is placed on a silver laptop. In the background, a colorful ball of string is visible. The overall scene suggests a professional or financial context.

RETURN

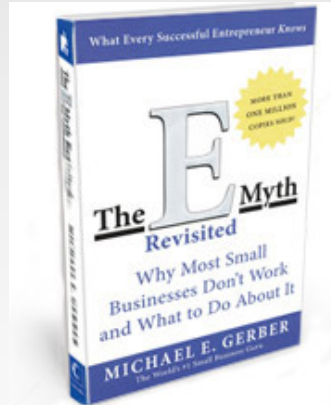
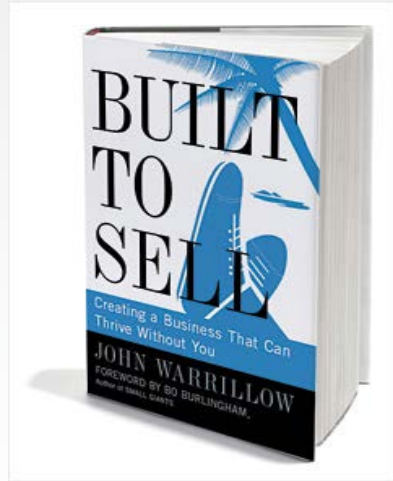
ON

INVESTMENT

“How much can I expect to make?”

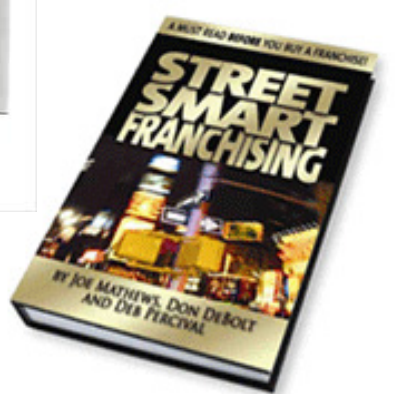
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Suggested Reading



E-Myth Revisited
by: Michael Gerber

Built to Sell
by: John Warrillow



Street Smart Franchising
by: Joe Mathews

Why FranNet?

NATIONAL PARTNERSHIPS





91%

of FranNet-assisted business owners
still own their business after 2 years

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85%

of FranNet-assisted business owners
still own their business after 5 years



15%

of FranNet-assisted placements
become Top Performers in their
business system

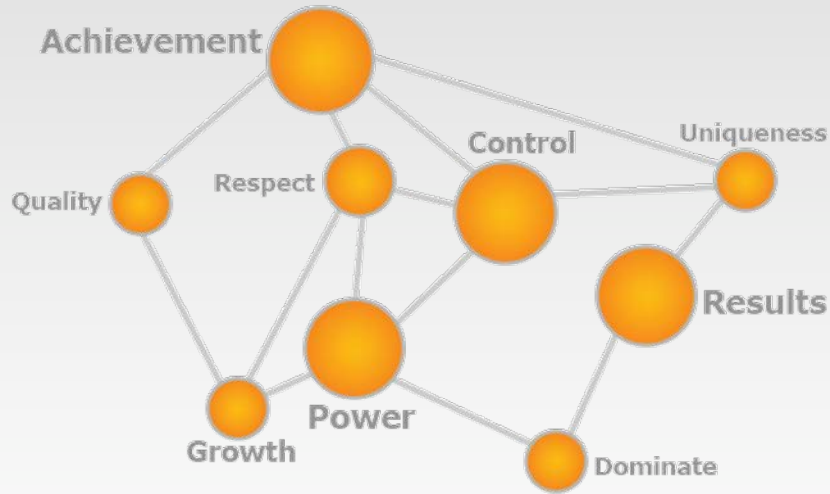
How?



Goals?

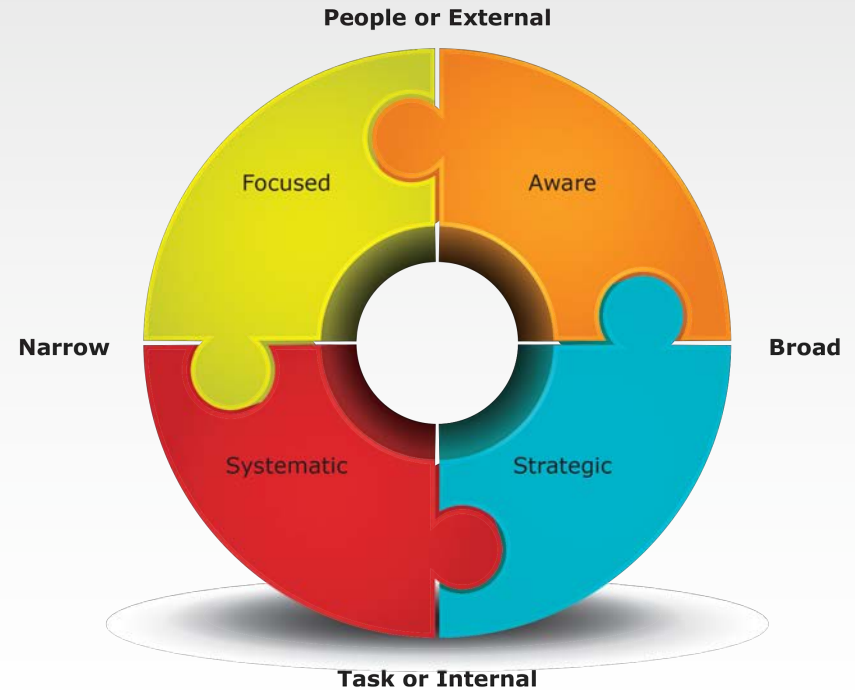
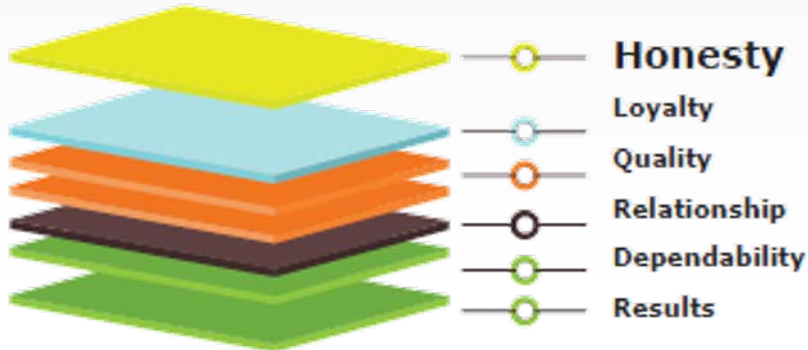


What REALLY matters to you?



Hierarchy of Values

Based on assessment results here are David's values:



Last Name

- Strong leadership and team building skills
- Great strategic planner and decision maker
- Excellent problem solver

- Motivated by achievement and relationship
- Results, profitability and relationship define success
- Desire to dominate and service marketplace
- Searching for uniqueness and longevity

- Employees
- Location
- Hours
- Sales
- Image
- Maturity of Franchise
- Investment

**Business Model for
A / B**

- Business Goals
- Control own destiny
- Learn from proven system
- Create resale value
- Invest \$

- Personal Goals
- Grow Equity
- Be his own Boss/Set his own hours
- Min. of \$ income
- A more balanced life between work and home
- is the best area
- His wife is supportive in starting a business

- Quality service or practical solution oriented business
- Medium risk level -- maintain financial integrity and control
- Stage 2 or 3 business
- Able to handle multiple units; may consider area development

- Franchise I web address
- Franchise I web address
- Franchise I web address
- Franchise I web address

Timeline 90 Day Research

Develop Model
Date

Research
Date

Validation
Date

Signing Day
Date

Opening Day
Date

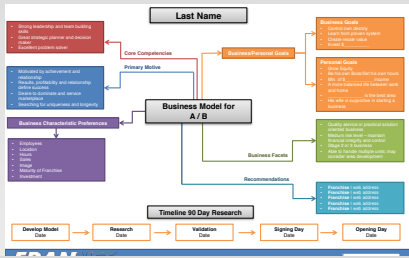
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Date | Consultant Name | name@fran.net | 555.555.5555

Follow Up Calls:

Franchise does not represent that any franchise opportunity that it may present to you will meet your financial or personal goals. You may not do as well as you plan or hope. We use this form, and you should use this form, only as a reference in conducting an analysis of potential franchise opportunities. You must prepare your own financial projections for any potential franchise opportunity. In addition, you should conduct an independent investigation of the costs and expenses you will incur in operating a particular franchised business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information. We also suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable expenses or taxes that you may incur in operating a particular franchised business.





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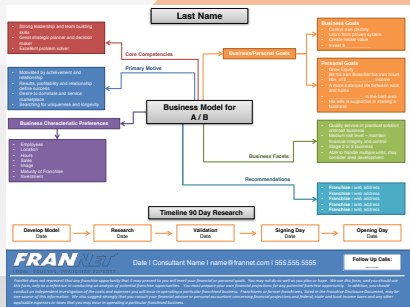
Step 1

Franchisor
Interviews

FDD

Step 2

Call and
Visit
Franchisees



FranNet

Step 1

Franchisor
Interviews

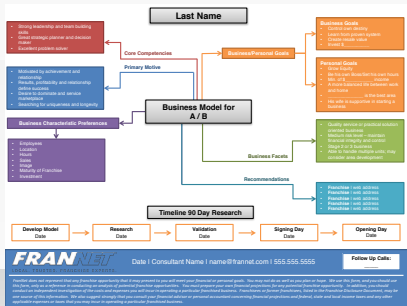
FDD

Step 2

Call and
Visit
Franchisees

Step 3

Visit
Franchisor

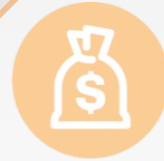


FranNet

Step 1

Franchisor
Interviews

FDD



Funding
Options

Step 2

Call and
Visit
Franchisees

Step 3

Visit
Franchisor

Step 4

Consult with
Professional
Advisors



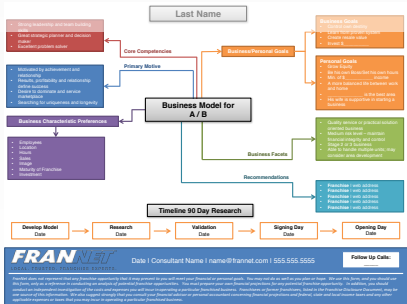
Franchise
Attorney



Accountant

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(Refer to your RoadMap to Success Guide)



60-90
Days

Step 1

Talk to
Franchisor

Step 2

Call and
Visit
Franchisees

Step 3

Visit
Franchisor

Step 4

Consult with
Professional
Advisors



Funding
Options



Franchise
Attorney



Accountant

(Refer to your RoadMap to Success Guide)

60-90
Days

Step 1

Talk to
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Step 3

Visit
Franchisor

Step 4

Consult with
Professional
Advisors

*The closer you get
to a decision,
the more fear you will feel*

(Refer to your RoadMap to Success Guide)

NEXT STEPS



Grab Your Phone.

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Let's Keep Talking!

A tilted client profile form titled "Client at a Glance" with a head icon in the top right corner. The form contains several sections with horizontal bars indicating values or levels.

Section	Options / Values	Selected Value
Values / Motives	Belonger, Achiever, Societal, Emulator	Achiever
Compliance	Low, Average, High, Very High	Average
Core Competencies	Administration & Management, Sales & Promotion, Marketing & Advertising, Technical & Product Knowledge, Client Management & Support	Marketing & Advertising
Work Style	Director, Promoter, Collaborator, Thinker	Promoter
Focus Preference	Aware, Focused, Strategic, Systematic	Focused
Leadership Style	Autocratic, Paternalistic, Democratic, Laissez-faire	Paternalistic
Sales Potential	Low, Average, Above Average, High, Very High	Above Average
Business Development	Contractor, Entrepreneur, Single Unit, Multi-Unit, Area Developer	Single Unit
Sales Orientation	Consultative, Relational, Competitive	Relational

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Questions

