



## Slow Economy is a Great Time to Buy a Franchise

*Here are five reasons to get into franchising now!*

If you believe the national headlines, you'd think that all is doom and gloom in the business world:

***"Gas hits record high – Stocks plunge as oil spikes to a new record."  
"No Signs of housing recovery. Single-family starts touch 17-year low. "  
"Job losses: Worst in five years."***

In fact, the current economic situation has many people shaking in their Cole Haans.

But there's sunshine behind every cloud and a bad economy can offer some real deals to the savvy investor, particularly one looking at business ownership. The key is to know how to take advantage of the situation and turn the lemons into lemonade.

Here are 5 reasons to buy a franchise TODAY:

1. **Interest rates are low.** A weak dollar usually means lower interest rates. Although money can be tighter than Aunt Hilda's undies for shaky borrowers, those people with good credit are getting some excellent interest rates as the government reduces the prime in an effort to beef up the economy. If you are ready to become a business owner, don't wait for rates to rise. A low interest rate will mean more money in your pocket.
2. **Banks consider a franchise purchase a "safe" investment.** While start-up businesses are deemed risky, some financial institutions are well aware that franchising has a good record of success. Therefore, even in a weak economy banks are willing to provide loans for franchise purchases.

Some of the reasons that buying a franchise is considered a safer investment than a start-up include:

- ✓ A well-tested business model
  - ✓ Thorough initial training
  - ✓ Mandatory marketing program, ensuring adequate advertising
  - ✓ Continuing franchisee support
  - ✓ Brand recognition
3. **Property values are down.** Need space for your franchise business? Prices for leasing or purchasing a business location can fluctuate along with the economy. Right now it's a buyers market but as the demand for space increases so will the cost. If you find a good price in a good location, act quickly. Just remember to have someone well versed in property legalese check out the terms of your purchase or rental agreement to be sure you are getting the best deal possible.
  4. **Plenty of employees available.** Layoffs happen so often that it hardly registers when GM, Ford or Chrysler announces it will be slicing off a chunk of its workforce. Microsoft, Yahoo and Apple get the big headlines but companies of all sizes and types turn to reducing their workers when the

economy slows. However, what's bad for one group of people can be a benefit for another. Almost every business needs employees and chances are you'll find more highly qualified workers to choose from during an ailing economy than a healthy one.

5. **Buying a business can help you land on your feet.** If you are one of those laid off employees, what better way to recover from that personal hit than to start your own business?

Just how many times can you be let go or passed over for promotion? There are more top performers out in corporate America than there are positions to reward them. When you've had enough of that roller coaster called corporate America, consider franchising as a work-around that will really work for you.

If you truly want to be your own boss, steer your own course and take control of your career, this is an excellent time to buy a business, particularly if you invest in a solid franchise with great training and support.

*"Don't be afraid to take a big step if one is indicated; you can't cross a chasm in two small jumps."* [William Lloyd George](#)

#### Tips for Buying a Franchise:

- Pick a recession resistant business.
- Look for one with a low start-up cost.
- If your credit isn't great, clean it up now. You'll need good credit to qualify for a franchise.
- Don't discount service businesses because they aren't "sexy." They are among the best values among franchises because of their lower entry cost, high demand and good margins.
- Stay within your budget. One of the main reasons for failure of a franchise is being under-capitalized.
- Search for an established franchise with numerous franchisees, which will give the bank plenty of data to ascertain the overall potential of the business.
- Read the Franchise Disclosure Document and other documents carefully.
- Your best source of information about a franchise opportunity is the existing franchisees. Use this resource wisely and you'll get a good sense of the overall business.
- Choose carefully. Unlike a job, which you can change at will, you'll need to stick with your franchise purchase to fully appreciate the return on your investment.

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