Talking to Franchisees: Your Must-Ask List of 50 Tough Questions

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Introduction: How to Use This List

Before you make the call, remember: You're not interrogating—you're conducting sincere due diligence. Your goal is to uncover unvarnished truth. Stay respectful and polite, explain you're considering franchising, and express your desire to learn from their valuable experience. Have pen and paper ready, take thorough notes, and be prepared to follow up with “Why?” and “Can you give an example?”

This checklist is divided into 5 sections:

1. Financial Truth: The most honest questions about money.
2. Headquarters Support: Are they your partners or “overseers”?
3. Day-to-Day Operations: What does a real day look like?
4. Review and Outlook: Satisfaction from a macro perspective.
5. Former Franchisees Only: What those who left want to say.

Part One: The Financial Truth

(These questions aim to verify the accuracy of Item 7 and Item 19 in the FDD and uncover hidden costs.)

1. Reviewing Item 7 (Initial Investment Estimate) in the FDD, did your actual total investment exceed the estimate or stay within it? Which specific items cost significantly more than anticipated?
2. From your opening day, how long did it take to truly reach break-even?
3. How long did it take before you could pay yourself a reasonable, market-level salary from the business?
4. If Item 19 in the FDD provided financial performance data, did your personal performance compare higher, lower, or roughly match those figures? If inconsistent, what do you believe caused the discrepancy?
5. If Item 19 is not included in the FDD, can you provide a general sense? For example, what is your typical total revenue range during a strong month? What about during a slow month?
6. Beyond the royalties and marketing fees explicitly listed in the FDD, what unexpected “hidden costs” or additional expenses did you encounter in the past year? (e.g., mandatory system upgrades, extra training fees, travel expenses for regional conferences)
7. Regarding headquarters-designated suppliers (Item 8), do you find their pricing competitive compared to similar products on the market? Have you ever felt compelled to purchase overpriced products or services?
8. What is your current net profit margin range? Does this figure meet your pre-investment expectations?

9. How much do you estimate needs to be reinvested in store renovations or equipment upgrades to maintain competitiveness? Are there mandatory requirements from headquarters?
10. Based on your experience, how much additional reserve capital should a new franchisee have in their bank account beyond the initial investment to safely navigate the first year?

Part Two: The Franchisor's Support

(These questions assess whether the franchisor's promised support (Item 11) is effectively delivered.)

1. How practical was the initial training provided by headquarters? Did it genuinely teach you how to operate the business, or did you have to figure out many things on your own after opening?
2. When you encounter urgent issues (e.g., POS system crashes, supply chain disruptions), how responsive and effective is headquarters at resolving them? Can you provide a specific example?
3. Is the Area Manager/Operations Consultant assigned to you by headquarters a true expert who helps improve your performance, or merely a compliance "police officer"? How often do they visit?
4. How much actual foot traffic do nationwide marketing campaigns (funded by your market fees) drive to your store? Do you feel this investment is worthwhile?
5. How much freedom does headquarters grant you in local marketing? What effective local marketing tools or guidance do they provide?
6. When you present headquarters with a good suggestion or sharp criticism, do you feel your voice is heard? Or does it fall on deaf ears?
7. Are the technical systems provided by headquarters (e.g., POS, CRM, reservation systems) a help or a hindrance? Are they user-friendly? Or riddled with bugs?
8. When renewing contracts, upgrading stores, or resolving disagreements with headquarters, do you feel the process is fair and transparent?
9. Does headquarters listen to the collective opinions of the franchisee committee (if one exists)? Do franchisees have a genuine voice?
10. What kind of substantive support did headquarters provide during your most challenging times?

Part Three: Day-to-Day Operations & Lifestyle

(These questions aim to understand the real impact of this business on your personal life.)

1. Can you describe a typical day for me? What time does it start and end?
2. During your first year in business, how many hours per week did you personally work? How about now?
3. What do you consider the biggest operational challenge in this business? Is it hiring and retaining staff, handling customer complaints, or managing inventory?
4. How long has it been since you took a vacation longer than one week?
5. How has this business affected your family life and personal health? Has it been positive or negative?
6. How difficult is it to hire qualified staff? Is employee turnover high? Does headquarters

provide support for hiring and training?

7. Compared to your initial expectations, what aspect of this business has surprised you the most—for better or worse?

8. What part of your daily work do you enjoy most? Least?

9. Do you feel you are "running a business," or do you feel like you've just "bought yourself a job"?

10. If your child wanted to take over this business, would you encourage them? Why?

Part IV: Hindsight & The Big Picture

(These questions aim to capture the franchisee's overall assessment and true satisfaction.)

1. (This is the most important question) Knowing everything you know now, if you could go back in time, would you still make the same decision to invest in this brand?

2. Before signing the franchise agreement, what one thing do you wish someone had warned you about?

3. What do you consider this brand's greatest competitive advantage? What is its biggest weakness?

4. Facing new market competitors or industry trends (such as digitalization or shifting consumer preferences), do you feel headquarters possesses sufficient foresight and responsiveness?

5. Are you optimistic, pessimistic, or uncertain about this brand's development over the next five years?

6. What is the relationship like between you and other franchisees? Is it supportive or competitive?

7. What traits/backgrounds do you think make someone most suitable to be a franchisee for this brand? What makes someone least suitable?

8. Are you satisfied with your Franchise Agreement? Are there any clauses that now seem particularly disadvantageous to you?

9. Would you recommend this franchise opportunity to your best friend?

10. What was the biggest mistake you made throughout the franchise process?

Part Five: Sharp Questions for FORMER Franchisees

(This section is critical because former franchisees have no reservations and can provide the most candid feedback.)

1. I understand you have left the system. If you feel comfortable, could you share the top one or two reasons that led to your decision?

2. Did you exit by selling your store, letting your contract expire without renewal, or closing it outright? Was this process smooth?

3. During your exit, did headquarters provide assistance or create obstacles?

4. Looking back on your entire franchise experience, what do you consider the "last straw" that broke the camel's back?

5. Did you find any misleading information in the FDD disclosures from headquarters or promises made by sales representatives?

6. After leaving, did your life and financial situation improve or worsen?

7. For someone like me actively considering joining this brand, what is your most important piece of advice?
8. Do you believe this brand's business model has fundamental flaws?
9. When you left, did your personal guarantee cause you any trouble?
10. If you were to start a business again, would you choose franchising or independent entrepreneurship?

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Good Luck!