

It's Showtime

Tips for attending a franchise trade show

Andrew A. Caffey | February 1, 1996

URL: <http://www.entrepreneur.com/article/29684>

Few events hold as much potential for the would-be business owner as a franchise trade show. Innovative business systems and ideas are presented in an exciting, festive setting.

But buying a franchise can be intimidating, especially in the dazzling atmosphere of a show packed with thousands of people. To get the most out of this gathering, you must know what to expect and take the time to prepare.

Step 1: Find a good trade show. Watch for ads in the business section of your local newspaper, or check business publications at the public library. Large shows drawing a wide sampling of legitimate franchisors, such as Entrepreneur Magazine's Small Business Expos, are typically held only in major metropolitan areas.

Step 2: Decide what you are shopping for. Know what types of businesses interest you before you go. Do you love cars and want an auto-related business? Do you enjoy customer contact and dream of a retail store, restaurant or similar business that requires face-to-face interaction?

What is your financial situation? Do you have the money and credit to start a retail shop, or are you looking for a low-cost investment such as a homebased business? Decide these things now, and once at the show, you can concentrate on franchises that fit your criteria.

Step 3: Plan your attack. After you arrive and register at the show, sit down and take a few minutes to examine the list of exhibitors. Mark the companies that interest you; as you stop by their booths, check them off to make sure you haven't missed anything.

Many franchise shows also hold seminars such as "How to Buy a Franchise" and "Financing Your Franchise." Schedule time to attend the ones that sound useful. This may be the most valuable part of the show.

Step 4: Cover ground quickly. Talking too long with exhibitors can eat up all your time. To avoid wasting time with exhibitors whose programs are inappropriate or too expensive for you, prepare a list of "knock-out" questions to eliminate those companies quickly. If you have limited cash, for example, asking about the size of the investment or the financial qualifications will eliminate franchises you can't afford.

Remember, a franchise trade show is designed for initial contact only, so don't expect to have any in-depth discussions. Leave your business card with franchisors so they can send you more information.

Step 5: Ask the right questions. Aside from your knock-out questions, other areas to cover include:

- *What are your growth plans for the next three years?* This gives you an idea of the franchisor's commitment to expansion. If you get a vague answer or a bombastic statement suggesting the company expects to take over the world, be forewarned.
- *What does your training program involve?* How long is it and where-in the field or at headquarters? What does it cover? Solid training is the mark of a good franchisor.
- *What industry organizations do you belong to?* Use this information to investigate the franchise company's track record.
- One controversial question to avoid: *How much money can I expect to make with your business?* Franchisors can't pinpoint this; there are too many variables involved. They do, however, know how existing franchisees have fared, and some companies will give you this information if you ask for it.

Step 6. Follow up on the follow-up. Expect a follow-up call or visit from franchise companies you showed serious interest in. This is your chance to explore the investment in-depth; ask every question that occurs to you. The franchisor will also provide written information, such as marketing materials and the Uniform Franchise Offering Circular (UFOC), a disclosure document that tells you much of what you need to know.

Be thorough and skeptical in evaluating the information the franchisor provides. Don't just rely on the franchisor's statements; seek out other franchise owners and watch them in operation. Talk to them, too. Are they happy with the business and the franchisor? Was the training useful? Did they make a satisfactory living from the business last year? Would they make the same investment knowing what they know now? The questions are endless, but other owners can provide the best evaluation of the investment you will find anywhere.

Step 7. Get professional advice. Finally, get professional help from a lawyer and an accountant in reviewing the investment, the UFOC, the contracts and other paperwork involved. Remember, no matter how many franchise companies assure you theirs is a simple business, a franchise investment is extremely complex. A penny spent here is a pound saved later.

It's a Wrap

Becoming self-employed can be scary, but it still beats being unemployed—just ask David Cobleigh.

Cobleigh spent 17 years with BMW of North America, where he headed the western regional credit department, before he was let go in December 1990. BMW wanted to centralize operations at its headquarters in upstate New Jersey, a move the California-based Cobleigh didn't want to make.

Today, he's back in the driver's seat, owner of an AIM Mail Center franchise in San Dimas, California. But the road to entrepreneurship was long and bumpy.

Cobleigh, 57, was unable to find another job for more than four years, with one interviewer after another telling him his previous salary was too high. He even took \$6-an-hour temporary jobs in credit departments to prove he was willing to work for less money, but he still got no offers.

Then one interviewer finally told him what Cobleigh believed was the real reason he couldn't find work: He was over 50. "The upsetting thing was that the guy saying it to me was my age," he says.

In 1993, Cobleigh attended an Entrepreneur Magazine Small Business

Expo in Los Angeles, where he talked to representatives from AIM Mail Centers. He was intrigued by the concept, but still uncertain about working for himself, so he decided to keep looking for a job. In 1994, however, Cobleigh returned to the show and explored franchising more seriously.

"I knew I didn't want to get into food service. It's too hectic, with too many employees," says Cobleigh, explaining why he chose a postal service center franchise. "I didn't want the hectic seven-days-a-week, 24-hours-a-day kind of thing. At this point in my life, I wanted something low-key."

Of course, opening his franchise in May 1995 was anything but. "There were boxes of merchandise everywhere; it was like Christmas," he recalls. And that feeling of excitement hasn't faded: At press time, the holidays were approaching and Cobleigh was revving up for his busiest season.

Though he's still getting used to the challenges of business ownership, Cobleigh is happy with his choice. "It's a constant adjustment-the mental processes you go through are phenomenal-but I love it," he says. "I really feel this was meant to be." -*Holly Celeste Fisk*

Game Plan

To a newcomer, it appears to be a sea of suits and booths. But a franchise trade show veteran recognizes the scene as a sea of possibilities, seeing below the surface to that moment when an exhibitor and attendee flirt with the idea of forming a long-term relationship as franchisor and franchisee.

But what are franchisors looking for when they gaze out at that ocean of would-be franchisees? Irl Marshall has been an International Franchise Expo (IFE) exhibitor for four years running. Here, the president and CEO of commercial and residential cleaning franchise Duraclean International Inc. reveals what he looks for in an attendee.

Entrepreneur: Obviously, thousands of people pass your booth during a trade show. What initially catches your attention about a show attendee?

Irl Marshall: How they dress, what they say, how they present themselves, whether they make eye contact. If you want to crystallize it, we're looking for people who have an all-consuming dream, who are committed to doing what's necessary for success.

Entrepreneur: How can you tell which show attendees might become successful franchisees?

Marshall: Basically, it's a hunch. Because of our years of experience, we can sense which people are serious and motivated, and we try to very quickly come to a conclusion as to whether we want to spend time with them.

Entrepreneur: What is the most important question show attendees can ask?

Marshall: The one question I like to hear is "Why should I buy a Duraclean franchise?" That question quickly opens a conversational dialogue, allowing the attendee to qualify whether we're the type of franchise they're interested in.

Entrepreneur: What advice can you give show attendees so they're not overwhelmed by the hundreds of companies exhibiting at the show?

Marshall: [Many attendees] think the more information you get, the better off you are, which really isn't true. You need to [be selective about the information you gather], which takes some planning.

You may start with dozens of different ideas, but when you get home from the show, you should have a short list of six or seven different companies that truly interest you. *-Janean Chun*

Andrew A. Caffey, a lawyer in the Washington, DC, area, is former General Counsel of the International Franchise Association and an internationally recognized specialist in franchise law.