



THE BUILD + SELL GUIDE

Scaling Smart Through Franchising

*Create the future of your brand,
one franchise at a time.*



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ELEVATE-FRANCHISING.COM

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Franchising has two halves. First you build a system worth buying. Then you find the right people to buy it. Most guides stop at the first half. This one covers both.

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"Your business model becomes your product. Your sales process decides who carries it forward."

A Smarter Way to Grow Your Business

Franchising works best when it starts with a business that is already profitable and performing consistently. The way you operate becomes the product. And that product has to be backed by a repeatable system for marketing, selling, and supporting it.

To scale well, you need to define exactly how your franchise will be promoted, how franchisees will be chosen, and how they will be supported once they open. Every industry sells differently. The goal is to learn what works in yours and turn it into a clear, proven expansion plan.

Done well, franchising lets you grow without sacrificing quality. New owners succeed by following what already works, while your brand gains reach, efficiency, and buying power. It is a partnership built on shared success.

Too many brands spend months building a franchise and almost no time planning how to sell it. The result is a beautiful FDD sitting on a shelf.

WHY THIS GUIDE COVERS BOTH HALVES

How to use this guide

Part One: Build It

The fundamentals of turning your business into a franchise system: readiness, structure, legal requirements, and how franchisors earn revenue.

Part Two: Sell It

How to find, qualify, and award the right franchisees, and whether to build a sales team or partner with an outsourced one.

About Elevate Franchising

Elevate Franchising helps growing brands do two things well: become a franchise, and sell that franchise to the right owners.



FOUNDER

Asha Morales

Franchise Development & Sales Leader

Asha has worked in franchise development since 2008, guiding business owners through the decision to franchise and building the sales processes that turn interest into signed agreements.

She co-founded ZGroup Franchising, has consulted with Franchise Marketing Systems since 2018, and today leads franchise development for a fast-growing national café brand, working with candidates from first call through site selection and lease signing.

18+

Years in franchise development

380+

Franchise units sold across brands

13

Franchise resales completed

What we believe

- 🕒 **Fit beats volume.** One well-matched franchisee is worth more than five rushed deals.
- 🕒 **Process protects the brand.** Clear qualification steps keep the wrong buyers out and the right ones moving.
- 🕒 **Honesty closes.** Candidates who get straight answers become franchisees who validate well for the next ones.

Portions of this guide are adapted, with permission, from *How to Franchise Your Business* by Chris Conner and Alan George of Franchise Marketing Systems.

PART ONE

Build It

Turning a proven business into a franchise system people want to buy.

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What Is Franchising?

Franchising lets other entrepreneurs replicate your proven business under your brand. You, the franchisor, license your system. That includes your trademarks, your marketing, and your way of operating. In exchange, franchisees pay an initial fee and ongoing fees.

The model lets a brand expand faster than it could with its own capital, while each location is run by a local owner with real money and pride on the line. The relationship is defined by a franchise agreement that spells out each side's rights, obligations, and financial commitments.

The relationship at a glance

The franchisor provides

- The brand, trademarks, and reputation
- A proven operating system and training
- Marketing programs and brand standards
- Ongoing coaching and field support

The franchisee provides

- The capital to open and run the location
- Local leadership and daily management
- Commitment to follow the system
- An initial fee plus ongoing royalties

Franchising is not a way to sell a business. It is a way to multiply one, with partners who have as much reason to succeed as you do.

Is Your Business Ready to Franchise?

A full feasibility review will give you a detailed answer. But six signals tell you quickly whether you are close.

1 • Operating history

A proven concept with a track record of steady performance, not just a strong first year.

2 • Replicability

It works in more than one location and doesn't depend on you being in the building.

3 • Profitability

Margins strong enough to pay a royalty and still give an owner an attractive return.

4 • Differentiation

A clear reason customers choose you over the competitor down the street.

5 • Trainability

Systems that can be documented, taught, and supported, often to people new to your industry.

6 • Accessible investment

A startup cost that a realistic pool of buyers can afford and finance.

Tip: If you can't take a two-week vacation without the business slipping, start by documenting your systems. That work pays off whether you franchise or not.

Designing a Franchiseable Model

Many franchise buyers are not classic entrepreneurs. They are professionals moving into business ownership who want structure, training, a known brand, and support.

That shapes how you design the franchise. Buyers are not paying for your idea. They are paying for a clear path to profitability that has already been tested. The more your model runs on documented systems instead of personal talent, the more buyers you can serve and the more consistently they will perform.

Why choose franchising to grow?

- 01 Grow with other people's capital**
Franchisees fund their own locations, so expansion doesn't depend on your balance sheet.

- 02 Local owners outperform managers**
An owner with money on the line runs the business with a different level of care.

- 03 Faster reach and visibility**
More locations build brand awareness and buying power faster than company-owned growth.

- 04 Recurring revenue**
Royalties create a steady income stream tied to system-wide sales.

- 05 Shared success, shared risk**
Each location's success is shared by you and the owner, and so is the risk.

Five Steps to Franchising

Every brand's path looks a little different, but the order of operations stays the same.

1

Confirm franchisability

Review sales history, margins, customer demand, and brand strength. Be honest about gaps before you invest in legal work.

2

Map your growth strategy

Define your ideal markets, territory sizes, fee structure, support model, and how fast you can realistically grow without straining support.

3

Become a legal franchisor

Work with a franchise attorney to prepare your Franchise Disclosure Document (FDD) and franchise agreement, complete any required state registrations, and protect your trademarks.

4

Build your operations and sales systems

Create your operations manual and training program, and build the marketing and sales process you will use to find and qualify buyers. Part Two covers this in depth.

5

Award and support franchisees

Select owners against clear standards, then support them through training, opening, and ongoing coaching. Their success becomes your best sales tool.

Get professional help with Step 3. Franchise law is specialized, and the cost of getting the FDD wrong is far higher than the cost of getting it right.

The Rules and the FDD

In the U.S., the Federal Trade Commission's Franchise Rule sets the national standard. A business relationship is generally a franchise when all three of these are true:

Brand

The owner operates under your trademark or brand name.

Control or support

You exert significant control over, or give significant help with, how they operate.

Payment

They pay you a required fee above the FTC's minimum threshold.

If all three apply, you must follow franchise law whether or not you call it a franchise. More than a dozen states also require you to register your FDD, and some review it, before you can offer franchises there.

The Franchise Disclosure Document

The FDD is the document every prospective franchisee receives before they commit. It has 23 required sections, called Items, including:

- Background of the franchisor and its leaders
- Initial fees and ongoing fees
- The estimated initial investment
- Territory rights and protections
- Obligations of both parties
- Financial performance information, if you provide it
- Number of locations and franchisee contacts
- Audited financial statements

The 14-day rule: candidates must receive your FDD at least 14 calendar days before they sign or pay you anything. Plan your sales timeline around it.

This section is a general overview, not legal advice. Work with a qualified franchise attorney on your FDD and registrations.

How Franchisors Earn

Your fee structure has to work for both sides: enough to fund real support, and light enough that owners can profit.

01 Initial franchise fee
A one-time fee paid when the agreement is signed. It covers onboarding, training, opening support, and territory rights. Many brands land between \$20,000 and \$50,000, depending on the concept and the support provided.

02 Royalty fee
An ongoing fee, usually a percentage of each location's gross sales, that pays for continued support and gives you recurring revenue. Commonly 4% to 8%, though it varies widely by industry.

03 Brand or marketing fund
A contribution, often 1% to 4% of gross sales, pooled to pay for brand-wide advertising, creative, and digital marketing that benefits every location.

04 Other fees
Technology fees, training fees for new managers, transfer fees when a location is resold, and renewal fees. Each must be disclosed in your FDD.

Price for the franchisee's success, not just your own. Candidates will run the numbers, and so will their lenders.

Ranges are general industry patterns for illustration. Set your own fees with your franchise attorney and financial advisor.

PART TWO

Sell It

Finding, qualifying, and awarding the owners who will carry your brand forward.

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Your Ideal Franchisee

Before you spend a dollar on marketing, decide exactly who you are looking for. A clear buyer profile makes every later step faster and protects your brand.

Traits that predict success

People and service skills

They can lead a team and take care of customers the way your brand demands.

Discipline to follow a system

They see your playbook as an advantage, not a limitation.

Drive and staying power

They are ready for the hard first year and committed past it.

Integrity

Credit and background checks confirm a history of meeting obligations.

Financial qualification

Set clear minimums for **liquid capital** and **net worth** based on your real investment range and typical lender requirements. Share them early. Candidates who can't meet them should learn that on the first call, not the fifth.

Write down the three reasons you would say no to a candidate. If you can't name them, you don't have a buyer profile yet.

The Franchise Sales Process

A strong process moves good candidates forward at a steady pace and lets poor fits drop out on their own. Here is the framework we use.

1

Inquiry and first contact

Respond fast, ideally within minutes. Confirm basic fit: market, timeline, and capital.

2

Franchise Overview call

Tell the brand story, walk through the opportunity, and learn the candidate's goals.

3

Application and FDD delivery

Collect a formal application and deliver the FDD. The 14-day clock starts here.

4

Operations and marketing deep dive

Show how the business runs day to day and how locations win customers.

5

Validation

Candidates call existing franchisees. Their honest experiences carry more weight than anything you say.

6

Founder call and funding pre-qualification

Leadership meets the candidate, and financing is confirmed with a lender.

7

Discovery Day

The final, in-person visit where both sides confirm the fit.

8

Award and hand-off

Sign the agreement, then hand the new owner to site selection and training.

Every step has one job: help the candidate decide with confidence. If a step doesn't do that, cut it.

Qualifying and Managing Leads

Give to get

At every stage, the candidate earns the next step by giving you something: an application, financial information, time on calls, a background check. You reveal more as they commit more. This one principle filters out tire-kickers and builds momentum with serious buyers.

They give

Application, financials, credit and background checks, time.

You give

The FDD, deeper operating detail, franchisee contacts, leadership access.

The result

Only serious, qualified candidates reach Discovery Day.

Build a lead system, not a lead pile

- 🕒 **One CRM for every lead.** Track source, stage, notes, and next step, so nothing depends on memory.
- 🕒 **Speed to lead.** The first franchisor to call a candidate back usually leads the conversation.
- 🕒 **Automated follow-up.** Email and text sequences keep candidates engaged between calls.
- 🕒 **Webinars and virtual presentations.** Share the opportunity with many candidates at once.
- 🕒 **Clear stage rules.** Define what a candidate must complete to move forward, and hold the line.
- 🕒 **Measure it.** Know your cost per lead, your conversion rate at each stage, and your cost per award.

Most lost deals are not rejected. They are forgotten. A disciplined follow-up process is often the difference between a good year and a great one.

Budgeting for Franchise Sales

Build a 12-month franchise sales plan backward from your goal, using your own conversion numbers as soon as you have them.

WORK IT BACKWARD · ILLUSTRATIVE EXAMPLE

10

units you want
to award

× 50

leads needed
per award

× \$60

average cost
per lead

\$30K

lead budget
for the year

Then add the costs around the leads: sales staff or commissions, CRM and automation tools, sales materials, Discovery Day expenses, and legal and registration renewals. Many brands add a cushion of at least 10% for production and administrative costs.

Where franchise leads come from

Franchise portals

Listing sites where buyers browse opportunities. High volume, mixed quality.

Digital and social ads

Targeted campaigns sent to your own landing page and form.

Broker networks

Brokers bring pre-screened buyers but earn a large share of the franchise fee.

Referrals and customers

Often your best leads. Fans of the brand already believe in it.

Numbers above are for illustration only. Your conversion rates and lead costs will vary by industry, investment level, and market.

Discovery Day

Discovery Day is the final step before an award. Candidates visit, meet leadership, see operations firsthand, and feel the culture. It is also your last chance to confirm they are the right fit.

Invite only candidates who have completed every prior step, including FDD review, validation calls, and funding pre-qualification. A Discovery Day should confirm a decision the candidate is already close to making, not start a new sales pitch.

A strong agenda

- Welcome and brand story from the founder
- Tour of a working location
- Operations, training, and support walkthrough
- Marketing and technology overview
- Open Q&A with leadership
- Clear next steps and timeline

What you are watching for

- How they treat your team and customers
- The quality of their questions
- Alignment with your values and standards
- Whether their spouse or partner is on board
- Realistic expectations about the first year

Keep financial slides out of Discovery Day. By this point the numbers should already be settled. This day is about people and fit.

In-House vs. Outsourced Sales

Every emerging franchisor eventually asks the same question: do we hire a sales team, or partner with one?

	BUILD IN-HOUSE	OUTSOURCE (FSO)
Upfront cost	Salary, benefits, recruiting, and tools before the first sale	Typically lower upfront; often weighted toward results
Speed to launch	Months to hire, train, and ramp	An experienced team starts with a proven process
Experience	Depends on who you can hire and afford	Seasoned franchise sales professionals
Process and tools	You build the CRM, scripts, and stages	Proven process and systems from day one
Control	Full, direct control over every call	Shared; you approve every candidate
Best for	Established brands with steady lead flow	Emerging and growing brands that need to sell now

What an outsourced partner should do

- ① Work every lead from first contact through signing, inside your CRM
- ① Qualify candidates against your buyer profile and financial standards
- ① Coordinate validation calls, funding pre-qualification, and Discovery Day
- ① Report on pipeline and conversion so you always know where deals stand
- ① Leave final approval of every franchisee with you

It doesn't have to be forever. Many brands start with an outsourced team, then build in-house once lead flow and unit count justify it.

How Elevate Can Help

Two ways to grow your brand, one proven process. Start wherever you are.

Franchise Development

Turn your proven concept into a scalable franchise brand.

- Feasibility and readiness review
- Franchise model and fee structure
- Coordination with your franchise attorney on your FDD
- Operations and training system planning
- Launch-ready sales materials

Outsourced Franchise Sales

Your franchise sales team, without building one.

- Lead generation strategy and follow-up
- Candidate qualification and validation
- Discovery Day planning and hosting
- Funding pre-qualification support
- Guidance through signing and hand-off

Also looking to buy a franchise?

If you're an aspiring owner who isn't sure which brand is right for you, we also offer franchise consulting to help you find a fit for your goals, budget, and lifestyle.

Every engagement follows the same disciplined approach: clear structure, honest qualification, and a focus on franchise partners built to last.

Your Readiness Checklist

Check off what's done. Anything left open is where to focus next.

BUILD IT

- ☐ Two or more years of steady, profitable operation
- ☐ Unit economics that support a royalty and an owner's return
- ☐ Documented operations and training systems
- ☐ Trademark filed or registered
- ☐ Franchise model, territories, and fees defined
- ☐ FDD and franchise agreement prepared by an attorney
- ☐ State registrations filed where required
- ☐ Support plan for opening and beyond

SELL IT

- ☐ Written buyer profile with financial minimums
- ☐ Franchise landing page and lead capture form
- ☐ CRM set up with defined sales stages
- ☐ Follow-up sequences written and automated
- ☐ Sales presentations for each call
- ☐ Franchisees ready for validation calls
- ☐ Discovery Day agenda and host team
- ☐ 12-month sales budget and unit goal

Not sure where your gaps are? A short conversation can usually tell you whether you're months away from launch or ready to start selling.



Ready to build it, sell it, or both?

*Let's talk about where your brand is today and the fastest path
to where you want it to be.*

[Schedule a Call](#)

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