



Questions To Ask

It is recommended that you consult with a lawyer (preferably with expertise in franchise law) to assist you in better understanding the potential answers to these questions.

Questions to ask the Franchisor

- How many years has the franchisor been operating?
- How many franchisees does the franchisor have?
- How much is the initial franchise fee?
- How much are royalty fees?
- Are royalty fees dependent on sales, and if so net or gross sales?
- Does the franchisor offer financing options?
- What are the franchisor's plans for future development?
- What sort of training is provided to the franchisee and for how long?
- How much are the advertising contributions? Can the franchisor use them only for advertising, and are the franchisees entitled to an accounting?
- Does the franchisor keep rebates on supplies, or are they passed down to the franchisees?
- Who is responsible for costs to construct and or develop the franchise premise?
- Who pays for cost overruns?

Questions to ask the other Franchisees

- How long have they owned the franchise?
- What do they think of the franchise?
- How much time per week do they put into the business?
- Would they purchase the same franchise again?
- Are they looking to sell and if so why?

Tips

It is recommended that you review all documents with a lawyer (preferably with expertise in franchising) before you sign any contracts or agreements.

It is recommended you seek advice from a finance expert before you sign any contracts or agreements.

Resources

Do you have questions about the Franchises Act? Review Frequently Asked [Questions & Answers](#).

Still have questions and looking for more information on starting a business in B.C.? – the following [resources](#) will help guide you in the right direction.