**Don't Let Fear Steal Your Dream of Business Ownership**

Well as we jump into this I just want to thank everyone for taking time out of their day to be with us for the next hour. I am Jania Bailey I am your presenter today. I have been in this industry for about 20 years . But, prior to franchising I was a commercial loan officer that worked with small businesses. So my entire career has really been focused on helping people get into business or supporting them while they are in a small business. The agenda that we are going to have, we are going to cover several topics. We are going to look at business ownership in general. We are going to look at the different options for going into business. We are going to, uh, look at some of the risks and rewards of business ownership. Myths and realities of franchising, because I have found even when I was in banking there is a lot of the myths, misconceptions around around franchising in general. So we are going to go into that. We are going to look at different business options. Then we are going to look at how you can build your personal business model. So, let me introduce you to FranNet. We are a 32-year-old international franchise consulting firm. We are located throughout the U.S. and Canada. We have had a national partnership with score and SPD see all across the country. So we work with these organizations because we are not in that selling mode. What we do is we match people who want to be in business. With franchise opportunities that meet their, there needs their goals and their key silk skill set. Or services are 100% free to use, the client. Because we work with individuals just like a job recruiter would on the career side. So we are paid by our franchise partners if in fact a match is made again just like an executive recruiter on the job. So, so to understand how this process works we screen our franchisors, we have a very diligent approval process before they come to our portfolio. We also are screening the applicants, the clients that want to be introduced to the franchise. We went to make sure we do the best possible job of matching the criteria that the French doors are looking for with the franchises clients are looking for. So, let's talk about what is going on right now and isn't this something that should be a fear factor in terms of going into business. I think it's important that we all know, this is not the first crisis small businesses have dealt with. When we look back at things, the.com, there is 911 and everybody in the world was ending, what are we going to do? The great recession. I am old enough to remember when interest rates went through the roof and everybody was just convinced that was the end of small business again. So we have seen these things happen and what we know is that businesses do survive these things. Now as I have mentioned here what our focus has always been in the types of things that we look at is businesses that do well in all economic conditions. Businesses that through this episode have been the essential, essential services that will be used even when these things are [ indiscernible ] even at the height of the pandemic fair. So let's take a look. There was a, group within the franchise industry that did a survey of people that were at different stages of exploration about going into business. This took place just about the last week of March. So you can imagine that was right at the peak when everybody was just getting our head around what was going on. We are being shut down and sheltered at home. This group 54% of that group still says this is a good time to go into business. In fact 59% of them expected to start a business within the next three months. So another 17% that said they expected to open their business within 4 to 6 months. The majority of people that were surveyed so 39%, believe that business conditions will improve over the next three months and there were 24.3% that expected it to worsen. So if you think that was the end of March we are not at the end of May. Things are starting to open back up and things are getting better. We are not at the end of this by any means. But we do see light at the end of the tunnel. There were 18% of the people that said no this is not, this is not something I can do right now. I am going to wait until I see what happens. That is fine too. What we believe, and what we are telling our clients is there are going to be three basic types of people at individual choices that they make. It is okay no matter which camp you fall in. It is going to be okay. So number one. I am going to hit the brakes, I am not doing anything until this is somewhat over. I'm just going to back away from this. That is okay. This is not for everybody. And not everyone should be in business. So, it is okay to to take a break and step back. Then there is a group that says I'm going to proceed with caution. I'm going to maybe wait to make the final decision and write that check or you know hand over those funds when things are little more clear. But, I am still going to go ahead and do some of the research now. That is okay also. There is a third group that is like full steam ahead, here we go. Everything, uh, fast-forward is much as possible. Because they are convinced on the other side of this are going to be some huge economic opportunities. That input we have seen with those prior crisis that were mentioned. I do believe it is important to understand, I went a little too fast there. To remember searching for an opportunity or exploring these opportunities is not the same as committing to the purchase. It cost nothing to explore and to do the, homework. Then make the decision of what is best for you. Is not an all or nothing at this stage. There are multiple lending companies and options. Within our industry these are the three primary partners that we work with. They also work with FDA lenders and banks. Now as a prior banker I know that depending on upon the bank in the community and the culture of that organization they may be more conservative or less conservative. Uh, some, I know I work for one bag and it was like if you were interested in a restaurant and you better go somewhere else. They just did not do restaurants. While other banks that was comfortable for them because they had a good track record. So, one of the reasons we like working with these three funding partners is number one they understand franchising, number two they all work with a number of different institutions and have educated those banks and lenders on the types of concepts that they work with. They know who is going to be more favorable about one type of company and who might be with another. So it kind of saves you the web work and the headache. Now you are still, your score counselor will work with you on putting together your business plan and your SDA package bank but to have some lenders already lined up is a big step. A little bit more about FranNet. One of the things we really pioneered in her industry a few years ago is the client Bill of Rights. I know you can't see this probably very clear. But anybody who works with FranNet is given a copy of our disclosure document as well as this Bill of Rights. Because we think it is important that you understand what our role is and what your role is in this process. We are here to guide you through the process not to sell you and not to say yes this is exactly what you should be doing. That is not our place. The ultimate decision is always up to the client. We want to be sure that is clear. Now, I am going to ask you to take a step back. And just think about where you are right now. And where you would be, let's say five years from now. If you started a business and that business was successful. What would it look like for you? What are those things that need to be in place for you to feel it is a successful business. Because success means more than money for most people. In fact at FranNet there are 32 years of asking people what does success look like and feel like. These are some of the answer we have been given. Control of my destiny, control of my day to day activities, not having to worry about being right sized are reengineered anymore. That is not going to be in my future. I am controlling it here. Financial security, because everybody your right size reengineered are laid off you know you go through some your nest egg that you have set back to hold you over until you get the next job. Depending on how high you might have been on the food chain, you are in a sealevel position. It can be all longer stretch between jobs. We know that and hopefully all of us that have found ourselves in those situations are saving that emergency money. Also successor others. It's going to be, you know I just need to feel like I am making a difference. I want to make sure that the business I am in is contributing to my community and making a difference in people's lives. Flexability, independence. There is no wrong answer. So what ever it is to you you just need to be clear on it. I always tell people set down with a legal pad one weekend and just write out those things. What needs to be there for you. If you do not know what you are looking for you will not know if you found it. You need to be sure that the business is you are looking at no matter what type in fact will deliver on those things you set are important to you. Now, FranNet knows three out of four people that meet with us and start this process Wanda taking a job if it comes back in around. That is always interesting, interested me and says okay you started this process this is what I want I'm going to take charge but [ indiscernible ]. That's okay. I always like to know why and we survey so here are some of the things we found out. People are job is a little safer. I really like having a paycheck come in every two weeks and my benefits in place and you know I am just going to wait until the economy gets better. That is okay. Money, maybe afraid of spending any of my savings or my nest egg to start a business. Not even know what it cost, I'm really afraid of that. Or I do not know what I should do. I don't have that burning passion to do any one thing so I do not know how to find that business for me. Then maybe you're just afraid you do not have the skill set that it takes to run a business. So these are some of the things in what we try to do is kind of address them one by one. So, uh, first of all is the job safe. Think about it. We all know people and maybe ourselves that have been let go at no fault of our own. There are a lot of people right now that are finding themselves unemployed despite years of service. Years of great service. The higher up you are on the food chain the more at risk you are when organizations are bought and sold and merged and you know that is when all this reengineering comes into play. The reality is you take a job that feels very safe on the front and., The longer you are in place and the higher you go the more at risk you are. The flipside of that is true, when you are in on your own business. Anyone tells you it is not scary and that there is no risk is not being honest with you. On the front end it is going to feel very scary regardless of how you go into business. But, what we know is the longer you on the business the safer it becomes. And, once you cross that [ indiscernible ] point things get better all all the way along. One of the things that causes most business problems in an economic downturn is not having that emergency cash reserves set aside. That is one of the things I was tell people in banking. I saw the highest number of failures typically come from the lack of working capital. They just do not have those reserves for the rainy day. That is very important, the longer you are business the bigger your rainy day pot of money should be. Because you do not want to be drawing it all out into pleading those safety valves for this company. So the longer you are in business the safer it becomes. Now come the reality rules have changed. We see that right now as much as ever. Job security does not exist. My mother retired from BellSouth after a 30+ year career. I can remember growing up hearing mom say BellSouth will take care of us, BellSouth, BellSouth, BellSouth. I do not know many people who put in 30+ years with an organization and retire from there with the gold watch and all of that anymore. That is just not the reality most of us have seen. I do not see that coming in the near future. So, what we have to do is think about our income security not look to an employer to give us that security. We have to be looking at how we make our income. And building our security around that. So, let's talk about businesses. I have been doing a multitude of discussions in the industry about what I would call a rescission preexistent or essential services. I got a chart appear because the seven these are some of the things we ask what we are looking at brands. After being in business 32 years FranNet is a franchise itself. So all of ours people live and work in the communities in which they have made these introduction and have these placements or concepts. We are very conscious of the fact that we see our clients long after they have bought a franchise. We see them at local events and at soccer games and you know Chamber of Commerce. So we try to do a lot of the due diligence on the front and to make sure that we are looking at are not [ indiscernible ]. There are not things that will be all hot for a few years and then they just drift away. We like businesses that do well. And all economic times. These businesses that have survived those crisis is that have come before, things like businesses that are driven by demographics. Work talk about baby bears, I fall right in there. We have impacted the economic pictures at each stage of our lives. Right now, we find a lot of baby boomers that are taking care of elderly parents and we are looking for additional help for them. Senior care and services, also, maybe for us. We are looking at repair center homes that make sure we can stay here longer. There may be services we used to do ourselves and we are now looking for help to do that because we just cannot do it. There is also those essential services. Now during this pandemic one of the things that I have done is just gotten in the car and just to get out of the house but to get in the car and just drive around and look at who [ indiscernible ]. What businesses in my community are active. Who am I saying, what kind of trucks, what kind of service trucks do I see coming through. What you find is there was a lot of businesses that have continued to operate. Those are called essential services. It is everything from the automotive repair, your tire businesses, to damage restoration. A good friend of ours had a, uh, water main break and flooded their basement. Will I damage restoration company comes in and takes care of those things and they didn't say wait until the pandemic is over. It has got to be taken care of, it's got to be taken care of now. They had to have a plumber, they had to have a restoration company. Then they had to have the, uh, flooring replaced and all of that. That all happened in the last few weeks. Those are essential services. Sign companies was one that kind of surprised me. But then I got to thinking go into a Kroger or anywhere else and you will see, signage about how to conduct yourself. They may be one way lanes that a grocery store, it may be footprint showing you how to stand six feet apart. Those all had to be printed. You've got commercial cleaning services. When I reopened my office I plan to have a commercial cleaning company come in and sanitize everything. They are actually saying, staying very busy. Now you look over at other businesses that help small businesses. It can be everything from business coaching and training to staffing. Our staffing companies are very, very busy right now. Because a lot of companies in the process of pivoting may need help in areas they didn't previously. Then some of the people that are laid off or other organizations are going through the staffing companies to find these opportunities. So these organizations are doing quite well. Despite everything else. So before you start a business of any kind just ask yourself is this something people would choose to spend money on regardless of the economy. Is this something that people need regardless of what else is going on. So, those types of questions help you in looking at how recession resistant, pandemic resistant your business might be. These are some of the things we do and we look at. Business ownership options. There are three ways to conduct a business. We are going to cover the advantages and disadvantages of each. Now remember I was a banker, a commercial loan officer so I have in fact financed businesses, each of these ways. So they started out. So I can speak to you from a totally impartial place and tell you there are different options that may be right based on who you are and your comfort level. Starting a business from scratch you have total control, you do not answer to anybody. You get to make all of the decisions and you can be just as creative as you want and how you put this business together. There are no rules or regulations this is your baby. And if in fact you're wildly successful it does have the largest potential upside for the founder. The disadvantages, highest failure rate of any [ indiscernible ] to go into business and there are a lot of reasons for this. One of them is you do not know what you do not know. A lot of times the questions you don't even know to ask are some of the problems that can cost you your business strain. If you are working with SBDC that will be a big plus because SBDC will SCORE will make you answer some of those questions. I can tell you from a banker standpoint when somebody came in and sat down at my desk and set I've got a great idea I want to start my own business. It was like oh no. So, that is one of those things that we shied away from because of the fact of the failure rate. If you came in with a very tight business plan and you had really answered all the questions and maybe you started a business before. That might be a different story. But as a general rule of thumb is the toughest way to get business. A lot of time start from scratch you're going to fund it with funds from friends and family and maybe even an angel investor rarely will it be a a bank loan. It is the slowest to ramp up for some of the same reasons that have talked about. You do not know what you do not know. A lot of times figuring that out along the way can be very costly. Buying an existing business. Bankers are going to like that one a whole lot more. The reason is and what I will tell you is if you're looking at an existing business I want you to ask for three years audits and financial statements and three years tax returns. Why do you need those because they are going to say different things. Because any Meck accounting and tax accounting are at the same. You really need to dad into the numbers and figure out what the real cash flow of the businesses. There should be goodwill established and we know what goodwill is it is just basically the reputation and the going concern that are [ indiscernible ] of a business. What you have to be sure of is you look at the other side is there any other hidden seller motives maybe some grub way that is getting ready to cut in front of them and it would be terrible for people to get in and out of business. Or is there something going on in that industry. You still need to do a lot of due diligence and ask a lot of questions. One of the great things about buying an existing business is a lot of times the owner will be the bank for you. So you do not have to go out and look for financing. That is a advantage for the seller as well as the huge advantage for you. Just be sure you know, the history of the business, understand that probably not all the existing employees will stay with you. Kind of do an assessment there. Of what you got. And you are probably going to pay a little bit of a premium because of the goodwill in that business. Goodwill from a tax standpoint is basically, if I am paying $100,000 for a business and the asset value, appraised value of whatever real estate or equipment that I am buying is say $60,000 than that remaining $40,000 is a sign of goodwill. That is one of the biggest, uh, kind of [ indiscernible ] when everybody is figuring out what that number should be. How should that value business be valued and of course there are specialist and that. Now the third way you can go into business is a franchise. The advantage of a franchise is name recognition. Trademark and play and a proven business system. That's when I say over and over one of the biggest advantages is that proven business system. Somebody else is already gone before you and taken all the lost. Smooth out the road and figured out what needs to be in place best practices have been bubbled up and training and support not only from the franchise or from your fellow franchisees. Lower costs in doing it yourself, again because they have already figured out what needs to be there and cut the deals with vendors and that kind of thing. More financing options in place as a lender, uh, I would look at the end of that financially it was in terms of what was the failure rate within that organization. That will something that you see in their disclosure documents. So we talk about disclosure. Franchising is a regulated industry. Each franchise is required to give a prospective franchisee something called a franchise disclosure document. It is about 200 pages of very boring reading. But, very important information. The disadvantages, depending upon the franchise, if it is very mature and well run and well established a lot lower failure rate but, you may not have a lot of territory available. The older and more mature a franchise is probably what you're going to find is the more structured not a lot of flexibility in how you do things. You're going to follow their system. Younger franchises, more territory availability less structure but, obviously a higher risk. So these are just things you have to weigh out as an individual. What am I comfortable with? Where do I see myself? We are going to dig into really what a franchises. This is where I think a lot of people have misunderstandings. I did. When I was in banking the first time I was presented with a franchise I did not really understand how they worked. If you boil it down in its simplest package a franchise is a licensed. Is granted to someone to use the name and trademarks and systems of the franchise or. In exchange for that you pay an initial franchise fee and ongoing royalties. Another way to look at it is it's a distribution channel. That franchise headquarters support their franchisee, their franchise operators all over the country who in turn support their customers. So a lot of times you will hear somebody say well, you know, the, uh, franchise is not a small business owner. It is a big conglomerate. No it is not. Those individual franchisees in your system our local business owners just like someone who start from scratch. They have invested their own money and they are invested in their franchise. So they are the ones supporting the local businesses, the local economy by having employees hired and there are a lot of times who is sponsoring the Little League team. So franchisees are small business owners. This disclosure document that I mentioned. Franchisor information, you get to learn all about the franchise, how long they have been in business. The background and experience of everyone involved in management. Of that company. Any bankruptcies or litigation not only for the franchise, franchise or but again for the, uh, top management people. Costs are disclosed. Total investment. This should be presented as arrange because as you can be, imagine the cost of going into business in Louisville Kentucky where I am at is going to be very different than Los Angeles California. So they have to give you a range of what the real estate costs may be, advertising equipment, supplies, insurance, all the things. They have to give you a breakdown of all fees associated with being a part of that franchise. The royalties, working capital. Usually that's going to very. The rule on this they should plug in enough working capital to get you past breakeven. There will also be a copy of the franchise contract. So you have an opportunity to really understand what you're committing to as well as what the franchise or is committing to. What kind of territory protection do you have. I believe one of the most valuable pieces of information is the listing and contact information issue for all current and past franchisees. One of the reasons that this is so important, one of the steps you need to be taking in the evaluation process is due diligence. Where you actually pick up the phone and talk to some of these people. You ask them how well are they supported by the franchise or's. What the investment that is listed in the FDD is that realistic. Would you do it again. These are all important phone calls for you to have. You see some other things, a franchise cannot do, they cannot [ indiscernible ] how much you are going to make because it is just not possible. In middle of the pact and at some point it is up to you and how you [ indiscernible ] the system. So due diligence. This is one of the advantages I think of this business format is that you can talk to other people who have traveled the path before you. And get their feedback. How long did it take them to hit breakeven. How much manage are the actually grossing now, what are different expense percentages and you will be shocked. At how open these franchisees will be. They have been exactly where you are. They at one time were analyzing doing this. Franchising myths. One of the things I'm going to tell you about franchising in general right now is franchising is a way to mitigate the risk of going into business. That is one of the important things. So, if you want to move forward in business even if you have got an idea of your own I would say go ahead and explore and compare the two. One of the things I have been doing with a lot of our webinars is having franchisees on with me talking about what the franchise company has done to support them during this pandemic. That is one of the beauties of franchising. Now franchising fast food retail is just not true. That was in my perception, I thought franchising I thought fast food. That is just not the case. There are over 36 different companies in more than 90 different industries. And fast food is a small for portion of that. So there is a whole lot to choose from. I myself would never have been interested in fast food. Franchises succeed because of the quality of the product. Not the case if you think about can you make a hamburger better than a McDonald's. Some of you may be thinking about having your own restaurant and maybe your food is superior to any franchise. But that does not guarantee your success. The things that you have to have in place to be successful are all those systems. The systems are what separate strong organization and weak organization. Because you can have great food but, if you do not know how to market that or you're not good at managing people you do not know anything about looking at financial statements and understanding where you might need to make changes. Those things can be your downfall. Successful franchises, let's talk about the difference in franchises and any business. I've got to go into a brand-new industry, let's all think about it. You know there industries that merge all the time and it is based out of typically changes in our environment and economy that is needed. But, is that what it takes to be successful? Well, a lot of our most successful franchise brands went into business and very well established industry. I'm from a little town in Paducah Kentucky and when I was growing up we did not have McDonald's or Burger King. We had mom and pops all over town. Slims barbecue, we had the 19th all, we had you know all of these, fiesta Berger was a place. I go back home now to visit and they are gone, the franchises are there. The reason is these franchises do so well is that strength in numbers, the recognition that they get. So this all sounds great Jania but I do not have $1 million. But, that is okay because franchises are not nearly as expensive as people think. If you look at this chart and you see a very small percentage of franchises are over $1 million. When you start looking at businesses that are under a half $1 million even under $250,000 you have covered over 50% of the franchises in that huge number, that 36, 3800 concept. Over 50% of them are less than 250,000 total investment. Total investment, remember that, everything it takes to get that franchise operating. So how much do you need? Well, 25 to 30% is what you are going to typically be looking at. Any bank loan you get, if you go to the FCA you're going to have to be investing 25 to 30% of your money. That is just a rule of thumb. For any financing. So if you look at a business plan doing your own business you need to realize that banks are not investors. They are lenders. They want to see that you have got skin in the game and that is the case with all loans. Some types of resources that people use, uh, starting from scratch, personal savings, friends, relatives, partners, home equity lines of credit. So as you look I know some companies are also, I'm sorry not some companies some cities have Louisville has a group of angel investors that if you got a business you are wanting to start and you've got a full business plan you can go and present to that group looking for financing. So there are different ways to go about financing your business and do not assume because you do not have all the money right now you cannot go forward. One of the things you see appear a lot of people kind of drawback at is the idea of using your 401(k) or IRA. We are not recommending to cash that out because that would cost you taxes and penalties. There are ways to roll over a portion of that into an investment in your new business which is held within the 401 or IRA tax rate and penalties free. So again just something to explore. High return requires a high investment and this is any type of business. I want you to get that, you know, Claire. Is that whether you start from scratch buying an existing business or you buy a franchise there is no correlation between the cost and the potential return. If you have to invest in Brooks and mortars and a lot of signage it's going to be more to start your business then maybe a home-based business or a business that you operate from a, uh, warehouse type a small office facility. So, when you're looking at these things realize that you just decide which type of business you want and then look at the ways to go about exploring that. But do not assume, yes broken moderate and McDonald's $1 million that is guaranteed, million dollars plus., There is a lot of companies that can be started for a lot less. Guess what. Industry experience is not needed. When you look at a franchise. Because there are systems, they train people on their business. In fact a lot of time they do not want you to have their particular business experience because if you have got that you probably would just artist yourself and you're probably not going to listen to a lot of input. They want people that have business and management skills, maybe sales skills. They can teach you the rest of what you need to know. So, if you decide to look at franchising it can be a great fit for you if you have done your homework. One of the things I really, really worry about is people that jump into any type of business out of a love [ indiscernible ]. I love this product, I love the service, I love this brand. They do not do the homework. Failure and all types of businesses are a lot of times result in a lot of jumping too quickly and not asking the right question. Not working with a good advisor like SCORE that will slow you down and make sure you have invested the time and effort. So be sure you do the homework. A lot of people say I do not like franchises because of the royalties. What you got to realize it is a trade-off. You are trading off some of the profits over the long-term to get the support and to buy into a system. Somebody else has taken all the lumps so that you don't have to. Franchises are not always the same. A lot of people assume they are all going to be big concepts, some are smaller concepts. Depends on how much risk you are willing to take. Uh, some as I said earlier are very structured and some are more flexible. The most important thing, I do not want any of you to automatically assume that all franchises are safe. Just like starting from scratch nobody can say that is safe or buying a business. Because there are people that succeed and people that fail. In each of these. So take your time, asked the questions, make sure that whichever way you go you have found the best possible fit for you. We all know, this is something we talk and franchising, you are in business for yourself but not by yourself. And, there are steps we advise that you go through to find the right fit for you. I always tell people, there is a great [ indiscernible ] for any way you want to go into business. Absolutely anyone. It is called the E myth revisited by Michael Gerber. He talks about the importance of separating the function of the business from the function of the business owner. Make sure you are going to enjoy what you do as a business owner every day. If you are looking at a franchise make sure you are willing to follow the system. Now remember that legal pad I talked about. This is where I want you to make a list of what is important to you. And whatever type business you choose to go to make sure it is going to deliver these things. I would say you should put something together that is a must-have and a nice to have. You need to realize you probably won't get all of your nice to have but, it's a must-have that are that important to you make sure they are there. So put your list together, as you start this exploration of going into business and all the different formats and make sure you are going to get what you are looking for. If you choose to work with FranNet we have got a couple of options for you to do that. One is to complete something we call a readiness assessment. This is our proprietary tool that helps us kind of get to your, we talk about getting in your head and heart and helping you understand ways and things that you need to be considering. If you take this you will get a copy of it and you will hear from one of our consultants that will help walk you through your stuff. Get that legal pad out again, these are questions you need to ask yourself before you decide on any model. Do you want employees, do not want employees. What types of customers, what types of hours you want to work. You work from home or retail setting, all of these things need to be factored in. You need to really think through what is going to be the best fit for you and your family. Make sure that whatever you choose to do hits on all of these things that are important to you. Another thing you need to do is make a list of your transferable skills. When I got ready to get out of banking I kind of had my as my son would say an old-fashioned, part that weekend a little pity parter, I'm just a banker that's all I know had to do I was burned out do I need to make a change. So I sat down and wrote all the different pieces of what my job look like. What I enjoy doing. Then I started looking at how those skill sets and that training would parlay into another business. I actually went out on my own, I started a business from scratch, I ran it for about 2 1/2 years almost 3 before, uh, I was presented the opportunity to get into franchising as original director. The skill sets from being a banker have served me well. In each stage of my career since then., You need to be real comfortable understanding what your primary and secondary skill set is. Those of the things that you want to be sure match up with whatever concept you are pursuing. The next piece on that legal pad, the another page. What are your goals. Look at where you want to be in five years, 10 years, 20 years. Are you wanting something that you can pass on to your family? Are you wanting something to build an asset or sale and be your retirement nest. What is it you are looking for? Because this is the time to figure that out. There are some businesses you can get into that really have no resale value. There are other businesses that it really isn't something your family would be interested in so if you're hoping to get something you could leave and go down through the family members this may not be it. As we look at these things and someone has Artie asked what was the name of that book? It is E myth revisited by Michael Garver that is the absolute three. If you're interested in franchising there are two other books. One is streetsmart franchising by Joe Matthews. And it is a great resource that takes a lot of the things I am talking about here and it really drills down into them. What are the pluses and minuses and is this something you should even consider. And the third book is something you can download from the FranNet website which is more than franchise. Is really a collection of stories from people just like you that have gone into the franchise industry. As well as some people that are in the industry maybe marketing firms. Stories of women, they are stories of baby boomers, millennial's, all of these people. See you kind of keep reading and you will find somebody a lot of your characteristics. Last and not list on my slide before we open up for questions is this is the FranNet website and there are a couple ways for you to engage with us. You can click on free consultation and you are going to meet with one of the local FranNet consultants. Know we used to be, pride herself in meeting face-to-face with you. Right now is probably going to be a virtual meeting. But, what they will do, the beauty of it for you we are in our local markets. So you can set down with these people on an exploratory zoom call or hang out call and really talk about and help you decide. We try to help you get to a no if no is the right answer for you. We help you explore options if franchising is a good option for you. Remember one of the reasons we have been able to have this relationship with SCORE. SCORE nose or track record and how we work. We do not push, we do not sell. We educate. This may not be an answer for any of you but, for some of you I hope to see you on our FranNet website engage with us. So Alexa I will turn it back to you and we can field some of these questions I have seen coming in.

 Oh Jania thank you so much we will movement into the Q&A portion of the webinar. We are going to do our best to address as many questions as we possibly can in the time remaining. Let's go ahead and jump into these questions. This first one comes from Tony. Jania Tony's question is what do you think is the main skill or characteristic or experience that makes someone a good candidate to be a franchisee.

 Great question. Well, it really does vary by the concept in terms of some of the skill sets. I will tell you the ones they are all going to have in common. Is you have got to be willing to follow the system. A true entrepreneur and a lot of you that go into the SCORE offices and work with our counselors you are true entrepreneur. You are what you do it yourself. You are not good franchisees. Franchisees are people who say I am willing to take somebody else's roadmap here and follow it and that is going to be what I can do. So that is the number one characteristic.

 Okay and then the next thing here is how should you pick the type of franchise you should do if industry experience is not a requirement?

 Well, that was one of the things we kind of pride ourselves in doing. We take you through a process, we take you through a profile because if you just go to the Internet today and you type in franchise opportunities you're going to be absolutely overwhelmed. Remember 90 industries and 3800 concepts out there. One of the things that we do at FranNet we try to get to know you is we break it down to what are the things you will do on a day-to-day basis and that asking you what did you like in corporate America? Did you like managing people, building a team, did you like recruiting? Did you like working with customers or selling? We start going through that and we are also going to talk to you of what you got to consider is how risk tolerant are you? Do you want a brand-new concept without a proven track record or are you going to be more of the tried-and-true? We try to take people from starting up here at the top of the funnel with 3800 concepts and narrow it down to the point that you have got 3 to 4 concepts to look at. So, if you do that yourself good luck. Just remember I turned down over 100 a year that want into the friend net portfolio. So just be careful, as the hard questions and do not burn yourself out trying to look at too many.

 Okay, next question. This, I am glad you are presenting this webinar one thought in terms of controlling your day. Are there franchise opportunities that allow for a bit of flexibility? Versus a strict plan quality accounting, etc.

 Yes, there are. That is one of the reasons remember I said do you want to retailer work from home. If your retail you are open seven days a week, whatever days [ indiscernible ] lately. Whatever days this shopping centers open. That can be late at night and you know long hours on the weekends. Uh, there are other concepts that we call managed to manager. Or after the first few months, the 1st year you are going to be able to pull back and you manage the manager and that concept, you are not in there on a daily basis. There are other concepts that have seasonal peaks and you can actually kind of unplug during the close season and let your manager take a long vacation. These are the lifestyle things that need to be looked at as you are making those decisions. Make sure that your goals and what is required are in alignment.

 All right, next question. The comes from Leigh, and Lee is asking how do you get other local business owners to realize that we are a franchise and not a Big box store working to eliminate smaller companies.

 One of the things I tell every franchisee because again I was with a haircare concept for almost 7 years as a regional director. I work with my franchisees and I said one of the things is getting out there and being a part of the community whether it was sponsoring the Little League or charity events and that sort of thing. Being visible in the community, do not hide behind the brand. Letting people know that you and your family invested in this business. Be involved in your Chamber of Commerce. All of the things that any other start from scratch business owner would do. I have found that the franchisees with these attitude and do this effectively are very successful at becoming a part of the fiber of the community.

 All right next question. From Ren&#233;e, asking if you could give some examples of some high bay pack franchises?

 Well, you know, again I work with, we work with over 200 brands. So one of the things we do not do is give out earnings claims. Because if you give out an earnings claim, uh, I could wind up in an orange jumpsuit and my Brett branch holders would be visiting me behind bars. I try not to do that. What I will tell you is one of the things we train for, we try to make sure the concepts we are bringing and would provide a six-figure income. Because that is what most of our clients are trying to replace. And, depending upon the concept, you know we try to find out what your need for cash is going to be and again we might say this one will get you where you want to be and for some it will take two years this one, is one that you will get there quicker or it might be you're going to need three units to get to your ultimate goal. So, a lot of different variables there. Depending on your investment level and, how quickly you need to get there.

 Okay Jania I've got a two-part question here. We've got time for one or two more questions left. This is from Leigh asking who in the bank should you speak with about owning and operating a franchise and the second part is what do you think, what are your thoughts on how Covid - 19 will affect small business loans?

 Good, good question. First of all you do not want to just go to your friendly banker at the local branch. Because most of them are not true commercial lenders. It really does depend on how the branch of the bank's structure. When I got out we had a commercial lending department and we had a major division that was active in our local market. So, that is what you want to find out. I would try to find out if they have got a commercial lending department for small business. Look for the bank in your area that is an FDA preferred lender. Because that means they make true commitment to small businesses and they get there FDA loans processed more quickly than a non-FCA lender. Plus they know what they are doing they can get that package put together for a small fee. Uh, you also, one of the things on the FCA side you want to, uh, banks really like it if the franchise is on the FCA registry list which is again, another new one that I could explain to you on a separate note that if they are on the FCA registry list it means the FCA has already looked at the contract is not erroneous it is okay. How has Covid us affected lending. I have not had a chance to talk to some of my bank buddies because they have been a little busy with the CPP loans. What I see is a lender, there are going to be much more hesitant I would hate to be trying to start a restaurant right now. Let's face it, they have suffered the most. I would be looking and leaning towards lending money to the concept and types of businesses that we call essential, you know they are kind of boring, they are kind of basic but goodness gracious I talked to one yesterday and they are up 30% year-over-year this year from last. Because they are so needed. So, I think your basic service businesses are still going to be able to borrow money, uh, I think if you have got a new idea or something sexy that could not [ indiscernible ] the last 2 1/2 months. You had better be, you better have family money with you.

 All right Jania those are all the questions we have time for today during this live webinar. So if we did not have a chance to address your question during this session I would like to recommend two things. One, reach out to FranNet to get your questions address. We are sending out a copy of the slide deck and a link to the recording to all participants. It will be going out shortly after the webinar is today. You can reference that. For the contact information. Also I would like to recommend getting real time mentoring assistance from SCORE and a brand-new virtual environment that was launched just a few weeks ago. The environment is free, it's virtual online meeting place where, uh, business owners, potential business owners can go to get questions answered, get advice. By professional certified SCORE mentors they are ready and available to support you and address your questions and offer advice and guidance. Or assist you with your [ indiscernible ]. So the environment is open now. The real time mentoring tab. To access the registration link or you can go to WW./find a mentor. And, join that period we will be getting that link to the recording and the slide deck shortly. And you can reach out there to Fran. I wanted to mention there are a lot of folks asking about [ indiscernible ] that were recommended during today's session. Those are available on that slide deck also. So you can check that for that information. On behalf of SCORE I would like to thank you all so much for listening today. I would like to give a very special thanks for to FranNet for sponsoring the webinar and for Jania Bailey for presenting. Jania thank you so much.

 Will thank you for having me in and I appreciate everyone staying with us on the questions that were submitted.

 Okay well thanks again everyone we hope that you have a good rest of your day and we look forward to seeing you back this week. Thanks. Take care.

 [ Event Concluded ]