

Owner to Owner Podcast Notes



Factors to Consider Before Buying or Creating a Franchise

Episode #31

Summary:

Felicia Harris, Founder, and CEO of EverythingHR and EverythingHR Financial Services interview David Steinberg, a prominent franchise lawyer in Michigan that has worked in this area since 1982 after graduating from Georgetown University. David Steinberg explains exactly what a franchise is, what you need to know before you take on a franchise or offer franchisees to buy into a branch of your business, and the responsibilities that you can expect to have.

Episode Highlights:

- David Steinberg shares his background in legal services.
- What is franchising?
- What is the difference between licensing and franchising?
- How do we prevent violations of franchising?
- What is a franchise disclosure document?
- What is a personal guarantee in franchising?
- What types of questions should you ask to see if a franchise is right for you?
- When is your business ready to be franchised?
- What would make franchising worthwhile on both sides?
- Are there franchises that are out there that might surprise people?
- When should a business owner talk to a franchise attorney?
- What types of responsibilities are involved in running a franchise?

3 Key Points:

1. Franchising is a method of distributing goods and services under a licensing format.
2. Franchising has three components that differentiate it from licensing:
 - a. Give someone else the right to sell a product or a service under a trademark/logo/name.
 - b. Operate under a consistent system.
 - c. Pay a fee.
3. The most successful franchisees follow their system all the way and don't deviate.

Tweetable Quotes:

- “Right now I am of counsel to Jaffe Raitt Heuer & Weiss in Southfield. We have 110 lawyers and a franchise law section that I am co-chair of.” – David Steinberg
- “What a lot of people don't know is that these franchises are not owned by some large conglomerate corporation in some other state. They are owned by people in your neighborhood.” – David Steinberg

- “Once you have a franchise, you then have children. Your franchisees are your children and they need time and they need attention, and they are going to demand it of you if you like it or not.” – David Steinberg

Resources Mentioned

Podcast

<http://elshaddaiconsulting.net/everythinghr-owner-to-owner-podcast.html>

Twitter

<https://twitter.com/everythinghr1>

LinkedIn

<https://www.linkedin.com/company/everythinghr1/>

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