



neighborly<sup>®</sup>

# FRANCHISING

Your path to business success  
and personal freedom

Starting or growing a business?  
**Be Your Own Boss.** Franchising  
offers a better way.



**Busting the Myths**  
Don't fall for tall tales  
that hold you back.

# What are your dreams and goals for the future?

Franchises add around  
**23,000 jobs**  
a month, outpacing total U.S.  
and small business employment.

*ADP Research Institute*



Ever glance at the clock at the end of a long day and wonder if you're on the right track? Wish you could put all that hard work into your own business - not your employer's?

Going into business for yourself can be a way to take control of your future. You set your own schedule and spend more time on what you enjoy. You gain pride in offering a service that improves lives or makes people happy. Do it right, and you secure your financial future.

Starting a business is not merely a job change, but a complete change of your life. The challenges can be daunting, requiring research, contemplation and heart-to-heart conversations with loved ones. You must consider deep questions: What do I want to do in life? What will it cost? Do the benefits outweigh the challenges? Do I have the mettle to succeed - the boldness, the drive?

What if there was a way to take away the fear? Opening your business as a franchise provides you with a partner. Good franchisors (that's us at Neighborly®) help their franchisees succeed. After all, winning is in both of our interests. Invest in a franchise, and it invests in you. Best of all, the numbers are in your favor.

Only half of startups last for five years. Just a third make it a decade. (U.S. Small Business Administration)

**HOWEVER**

95 percent of franchises are still in business after five years. (U.S. Commerce Department)

**AND**

During the last recession, larger companies were harder hit than smaller ones. Since 2008, small firms have hired at the fastest rate. (ADP Research Institute)

# Business for yourself, not by yourself.

Isolation and burnout derail many independent startups. By contrast, owning a franchise means you're not alone. Franchising offers a wide range of support. The backing of a franchisor gives you confidence and peace of mind.

Have questions as a new business owner? Rest assured that somebody has the answers, be it the home office support team or your fellow franchisees. Experts will walk you through opening and operating your business - and we'll ensure that you have a way to exit when you're ready.

## Psst! Want to know a secret?

The secret to franchise success, that is. It's the ongoing support.

### That includes:

- Training before you open your doors and through the life of your business
- Results-oriented business models
- Marketing - both national and local, digital and print
- Operations support
- State-of-the-art technology - and the tech support behind it
- Greater spending power
- A support network
- Even call centers (where applicable)

Nearly **86%**  
of people  
choose a  
nationally-  
recognized  
brand over  
one they  
have never  
heard of.

[Journal of Business Research](#)

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# Go with a franchise - or go it alone?

With a Franchise	On Your Own
<b>Location</b> You get better information. You've already discussed demographics and available territory before you get involved.	<b>Location</b> You're on your own researching and scouting locations while figuring out your business plan.
<b>Tools and software</b> A results-oriented business model is already in place, including the operations tools and software you need.	<b>Operations</b> How will your day-to-day operations work? How will you test their effectiveness? It's on you to write up your business manual.
<b>IT</b> No need to hire your own staff. We support your state-of-the-art software.	<b>IT</b> Ouch. Average IT cost for a small business is \$2,770 per employee (ZD Net).
<b>Marketing</b> You know business, but are you a master marketer? Neighborly offers national brand recognition and home office support.	<b>Marketing</b> It's up to you to set a marketing strategy for local, regional and national campaigns.
<b>Networking</b> Fellow franchisees lend advice and experience.	<b>Networking</b> You are left to seek advice from your own personal network.

For 30+ years, Neighborly has helped our owners reach their business goals with an established and exclusive method of excellent training, plus strong support and coaching.

# Look before you leap.

Buying a franchise shouldn't be a leap into the unknown. Before you purchase a franchise, you should investigate what a well-organized franchisor can offer you. Pose your questions to a development representative beforehand. Even if you're just exploring, you can sample the support you'd receive as a franchisee.

The discovery process is a journey you undertake to learn what's expected of franchisees. Likewise, the franchisor looks at you to ensure you're the right fit for the brand. Thus, the decision to invest in each other becomes a win-win.

**Think of this discovery as a peek into the possibilities. Here are just some of the topics that you can expect to cover during the process:**

- What will it cost? Are there financing options? Can we go over the potential profit and loss statements?
- Are there territory or demographic options that would work for me?
- What training is involved? Who helps me with operations, IT and marketing?
- How do I know this is a reputable franchisor? Who are the brand's leaders?
- What kind of culture can I expect?
- What about vehicles and equipment?
- Can I speak to current franchisees?
- How about talking to lower-performing franchisees as well as the top ones?
- Will I be free to make decisions? Or will I feel like someone is always looking over my shoulder?
- What is a Franchise Disclosure Document?

# Small business survival.

## Survival Paths Hold Steady

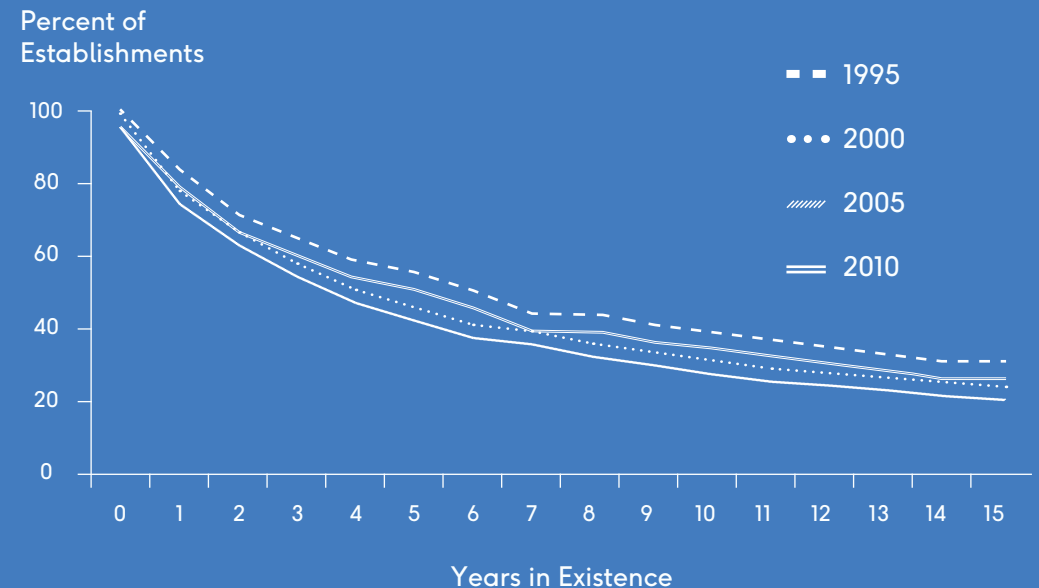
Worried about an economic downturn? Relax. Surprisingly, the U.S. Small Business Administration reports that “a negative economy has little effect on a given business’s survival.”

“Businesses started in expanding economies in 1995 and 2005, those started just before the downturn in 2000, and those started just after the downturn had almost identical survival paths,” SBA’s Office of Advocacy reported in a “Small Business Facts” sheet.

In 2018, the office reported that small businesses are a vital part of the economy, creating two-thirds of net new private sector jobs. Since the end of the Great Recession, small businesses have created 62 percent of these jobs, matching their historic rate over the last 25 years.

**Note:** Although the overall economy isn’t an obvious factor in business survival, deciding to own a business requires research and the willingness to take a calculated risk.

## Cumulative Rates for Establishments by Birth Year



Source: Bureau of Labor Statistics, Business Employment Dynamics



# Myth-Busting

Once you've started exploring business ownership, everybody and their grandma has an opinion about what you should and shouldn't do.

## Let's clear up a few fallacies about franchises.

**MYTH:** Owning a franchise means losing your individuality.

**REALITY:** Franchise owners follow the business model of the franchisor, but you can still customize your business. This might be the services you offer, your marketing strategy or how you manage your team. Let your personality shine.

**MYTH:** All franchise models are the same.

**REALITY:** Nope. The only similarity between different types of franchises is that they are, well, franchises. Not all are created equal. Dig deep and ask hard questions. Do they offer marketing support? How much? Is equipment included? Do they market for you—or just show you how to do the marketing? Some businesses can begin in a home office; others require a storefront.

**MYTH:** Franchises provide everything you need.

**REALITY:** The good news is that franchises offer systems, support, training, branding and more. What they can't download for you is work ethic, drive, motivation or people skills. Can you bring these to the table?

**MYTH:** Franchises are more expensive than startups.

**REALITY:** Wrong again. The No. 1 reason independent startups go under is because of undercapitalization. People often underestimate the expenses. When you buy a package from a franchisor, you know which expenses have been factored in. Consider IT. Do you want to pay by the hour for technical support, or would you rather rely on a network of home office IT experts?

This information is not intended as an offer to sell, or the solicitation of an offer to buy, a franchise. It is for information purposes only. Currently, the following states regulate the offer and sale of franchises: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Oregon, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin. If you are a resident of or want to locate a franchise in one of these states, we will not offer you a franchise unless and until we have complied with applicable pre-sale registration and disclosure requirements in your state.



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