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## **ESSENTIAL STEPS TO SELL YOUR FRANCHISE FAST**

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# INTRODUCTION

Every franchise owner eventually reaches a point where it is necessary to transition out of their business. Sometimes this point comes as planned, and other times it comes sooner than expected.

If the time to sell your franchise has arrived earlier than you anticipated, you're not alone. Health issues, divorce, unexpected financial needs, struggling business operations, a poor fit with the franchisor, and even new desires in life are just a few of the factors that can bring about the need to sell a franchise prematurely.

So, how do you sell your franchise quickly when you need to? Where do you find expert advice and relevant resources to help you through this challenging process? And, how do you market and sell your franchise without having to pay an arm and a leg?

In the pages that follow, we outline the 3 ESSENTIAL STEPS YOU MUST TAKE to sell your franchise when you have to. Read on and learn how to cost effectively market your business, find interested buyers fast, and save money in the process.

# STEP 1

## PRICE IT RIGHT

One of the first determinations in selling your franchise is to establish an appropriate asking price. For some, this is a grueling process full of worry, headache, and uncertainty. However if the right approach is taken, determining your asking price can be a simple process through which you navigate smoothly and confidently.

In some ways, the mindset of a franchise owner can be similar to that of a homeowner. Most homeowners carry a number somewhere in the back of their mind that represents a perceived or desired value of their home. It may or may not be an accurate number, but if you own a home or a franchise, you probably have a dollar amount in your head that you hope, or believe, it is worth. The question is: is it a realistic number? And if not, how can you quickly and painlessly determine the right number?

To set your listing price quickly so you can get your franchise on the market in short order, we have 3 simple pieces of advice:

1. Be realistic
2. Don't sell yourself short
3. Validate

### BE REALISTIC

The reality is that no one values your business as much as you, the business owner, because no one has invested the level of blood, sweat, and tears that you have.

Think of your business as if it were your child. Others may love and care for your child, but no one else has invested in her the way you have. Thus, no one loves and values her the way you do, and your business is no different.

Even if you are frustrated with your business, just like you may be frustrated with your child from time to time, nobody cares for it like you do. To sell your franchise quickly, you must realize that the value a buyer might place on your business may be less than your value, and you should price it with this in mind.

## **DON'T SELL YOURSELF SHORT**

Conversely, it is also critical to not sell yourself short and leave hard-earned dollars on the table. This is especially true in a franchise system where buyers have the benefit of more stability, structure, and certainty. Even if your business has not performed to your expectations or its potential, that doesn't mean it lacks value or that others won't love it and thrive in it.

I once heard a story of a daycare owner who, after years of owning and operating her business, realized she was tired of wiping noses, cleaning windows, and being around noisy kids. She simply didn't like her business anymore, and the value in her mind may have been diminished because of her own personal feelings towards the business. However, a new buyer may be energized by kids, specifically looking for a daycare opportunity, and willing to pay fairly for such a business. Removing negative emotion from the picture is critical in establishing the right price.

## **VALIDATE**

Our 3rd piece of advice on setting the right price is to validate your asking price, and make sure the value you are placing on your business can be supported. Don't ignore the number that's been rolling around in your head, but do be sure you can justify it.

There are 3 specific things you can do that will guide you to validating your listing price before considering a more lengthy and expensive valuation process:

- **Ask your franchisor for their valuation or recommended sales price.** Many franchisors provide a simple rule of thumb or formula for valuing franchise resales. If your franchisor offers guidance in this way, it is likely the simplest and most reliable source for determining your sales price.



- **Compare.** First, look for recent sales within your own franchise system that you can compare to. This is similar to what you might do with recent home sales in your neighborhood to get an idea of what your home might sell for. Other sales in your franchise system are great reference points. Sometimes this information can be difficult to obtain, but your franchisor, and possibly your fellow franchisees, should be able to provide some helpful info on recent resales.

Second, look at other similar franchise resale listings. Peruse the Franchise Flippers marketplace for other similar franchises so you can get a sense for how they are valued. It's not a scientific approach, but you might start to see patterns or get a feel for what type of multiple (3 x Net Income, 4 x Net Income, etc.) might be common for businesses similar to yours. Regardless of where you search, try to stick to evaluating and comparing franchises rather than non-franchise businesses.

- **Use a free business valuation tool.** Franchise Flippers offers a free Quick Valuation Tool to provide another reference point in validating your price. There are also other free valuation calculators you can find online, although they may not be specific to franchises. A free online valuation calculator might not replace a comprehensive valuation provided by a specialized business valuation expert, but it is a great way to get a quick range of what your franchise resale might be worth without having to spend a lot of time or money.

The best way to get your business sold is to get it listed so buyers can see it. Once you list it, let the market provide feedback. You can always adjust the price and terms in your listing.

**LIST YOUR FRANCHISE  
FOR SALE**

**GET A QUICK  
VALUATION**

# STEP 2

## LIST IT RIGHT

Where you list your franchise for sale and how the information in the listing is presented will have the greatest impact on the speed at which your franchise will sell. Do not neglect this critical step. To generate the most inquiries from potential buyers, follow these 3 key tips when selecting and creating your listings:

1. List it now
2. Stand out
3. Create an engaging listing

### LIST IT NOW

Opportunity is knocking. Potential franchise buyers are scouring the internet every day for the right opportunity and the perfect fit for their new business. Each day that passes without your business listed for buyers to see is an opportunity lost.

If you need to sell your franchise within the next 6-12 months, or sooner, the best thing you can do is ***get your franchise listed now***. Don't wait for the perfect moment or for all your ducks to be aligned.

### STAND OUT

There is no shortage of good businesses for sale. To sell your business quickly, you need to do more than just post an online listing on a generic business for sale site where you will be lost among tens of thousands of other businesses.

Fortunately, you are a franchise owner. Marketed well, your business can stand out in the crowd because of the brand, system, and credibility associated with a franchise.

To capitalize on this advantage, ***list your franchise on a franchise-centric marketplace*** that removes the masses of unbranded non-franchised businesses for sale. Further, be sure to list in an environment that does not compete with you by featuring new territories offered by franchisors. When it comes to deciding where to list your franchise resale, be a bigger fish in a smaller pond and attract focused buyers looking for existing franchises.

## CREATE AN ENGAGING LISTING

Standing out from the crowd also requires the creation of an online listing that buyers find attractive and intriguing. The information you provide in your online listing, wherever you choose to list it, is absolutely critical in boosting the interest of buyers so they will “knock on your door” to learn more.

The good news is setting up a great franchise resale listing can be done in 10-15 minutes. It doesn’t require hours of gathering information beforehand. Follow our practical tips outlined below, and you will quickly have the perfect online listing that will grab the attention of potential buyers:

- **Provide your franchise brand and logo in your listing.** Certain items may need to remain confidential, but being up front about important information like the name of the franchise helps establish credibility and clarity in the eyes of buyers. Providing the logo also makes your profile more visually appealing. If you don’t have a truly compelling reason to hide your franchise for sale, provide the name and logo in your listing.
- **Provide multiple photos in your listing.** Photos help buyers visualize your business and identify with it personally. Include photos from inside and outside the business. Show a calm but active environment with smiling employees and/or customers. Outdoor pictures should be taken on a sunny day and show the store front and even the surrounding area if you are in a shopping center or office park. It is also helpful to provide photos of equipment or other assets that might be of importance to a buyer. Tip: Quality cell phone photos are perfectly acceptable. Horizontal photos usually look the best.

- **Offer a variety of operational and financial data** that will be helpful for a buyer to understand the basic ins and outs of your business, such as the number of employees, approximate value of assets and inventory, lease & rent information, and how long you have been in the franchise. If you want buyers to really give your franchise strong consideration, provide more than just the revenue, profit, and asking price that every listing provides.
- **Offer transition support** in your listing so prospective buyers know you are eager to get a deal done and are willing to help ensure a smooth transition.
- **Describe your role in the business** and your time commitment so potential buyers can better imagine themselves in your shoes. If there is flexibility in the type of role or in the degree of involvement for the new franchise owner, be sure to communicate this in your listing. Be transparent about your involvement, and be sure to focus on the positives of your role.
- **Share achievements and awards** for which you and/or your franchisor have been recognized. Franchise rankings, growth statistics, industry recognition, and any individual franchisee awards should be mentioned in your listing.
- **Indicate if you would be willing to consider providing seller financing** on a portion of the deal to the right buyer. You don't have to commit to or promise anything in your listing, but if you would consider providing some degree of seller financing to a good buyer make sure you communicate it in your listing. If you need to sell your franchise fast, it is highly recommended that you offer some seller financing.
- **Provide a credible and honest reason for selling.** Buyers are always interested in knowing why sellers are exiting their business. Even if your personal circumstances are difficult, keep a positive spin on it and share why you are selling your franchise. Remember, your buyer may love your business as much as you did when you started it.
- **Highlight what you love about your business and your franchisor.** A good listing will provide a place for you to do this.

Think about things like the training, systems, tools, support, relationships, etc. that your franchisor excels in. Share this in your listing profile. It may be helpful to think about why you initially bought your franchise and remember what excited you early on in the business. These things are also likely to be attractive to other buyers.

- **Highlight what others may love about your business and the franchisor.** Certain elements in your business less significant to you may be extremely valuable to others. For example, if you were a retiree selling your house in a neighborhood that is full of kids, you may not place a lot of emphasis on it being a great place for families with children. However, certain buyers will find extraordinary value in moving to a neighborhood full of kids. You wouldn't want to miss the opportunity to attract those buyers. The same holds true for your franchise.
- **Describe specific or unique opportunities for growth and improvement in the business.** Most buyers have aspirations and expectations to grow the business they buy. Your listing should communicate what some of these opportunities are.
- **Share your franchise listing on social media and in email blasts to maximize exposure.** A good listing site like Franchise Flippers will offer to do this for you, helping you to get more of the right people looking at your franchise for sale.
- **Upgrade your listing** to include a featured display ad or promotion to the top of the listing pages. Featured displays and priority listings can help your profile get more looks.
- **Keep the listing fresh.** Periodically add new info, update pictures, and improve content. Your listing profile doesn't have to be perfect, but don't be afraid to continually add to it and improve it.

The key to selling your business fast is to get it listed, make it stand out, and engage buyers. If you don't have all the information readily available to complete a full listing profile, list it now with what you do have available, and then update the rest later. The worst thing you can do is wait.

# STEP 3

## SHOW IT RIGHT / GET A MAKEOVER

Congratulations! Your listing is live! It may not be perfect, but that's OK. So, what happens next?

Think of the listing stage as having asked for a date (or multiple dates). Now, it's time to get ready to meet! This stage is like getting a quick business makeover or tidying up your operation so serious buyers like what they see. Here's what we recommend:

- **Get your books in order and prepare financial reports.** If this is not something you have kept current, we suggest you start this process now. If you need to hire someone to help speed up the process, please do it. Most buyers will want to see 2-3 years of tax returns, P&L's, and balance sheets. You may also want to prepare a list of inventory, equipment, furniture, and other assets that will transfer with the business. If you have these items ready to share with interested buyers, it will help accelerate the due diligence process.
- **Freshen up the physical location, equipment, and signage.** You may not be in a position to invest significant time or money into refurbishing your entire business, and that is OK. Think of this as getting a haircut, taking a shower, and shaving before a date. It's not a huge investment of time or money, but it does make a difference! Don't get overwhelmed, but do consider some inexpensive yet impactful improvements you can make that will assist in helping your franchise sell quickly. For starters, ask yourself the following:
  - Is the signage and decor (inside and outside) fresh and orderly?
  - Are uniforms and attire neat and new?
  - Are company vehicles & equipment clean and in good working order?
  - Has the operation been deep cleaned recently? Windows, carpets, desks, bathrooms? Ideally these items are always kept spotless, but it's easy to overlook these things when you are busy running your business.
  - Is there clutter (trinkets, files, extension cords, etc.) that has accumulated over the years that needs to be cleaned up or removed? What will buyers notice when they walk in?

- **Dig up your lease**, if applicable, and be familiar with renewal dates and assignment requirements. A buyer will eventually ask about your lease and want to review it.
- **Secret shop your business**. Call, visit, and/or use your own service as if you were a customer. If you are part of the daily operations, have a friend or family member do this, then ask for their candid feedback. Look at your business as if you were about to buy it. See it through the eyes of your future buyer and address anything that needs improvement.
- **Evaluate how well you are following the franchise system** and get back on track where necessary. For example, if the franchisor requires business hours from 10am to 8pm and you are only operating from 10am to 6pm, adjust your hours to meet the franchisor requirements. Buyers who see that you don't follow the franchisor's system may conclude you have cut corners in your operation, or they may question the credibility of the franchisor and their model.

Giving your business a quick makeover to help attract its next suitor will help you find your buyer more quickly, and it will preserve the value of your business enabling you to obtain a better sales price.

Making these relatively small investments now can be the difference in selling your business in a matter of months rather than years, and can even be the difference of tens of thousands of dollars, or more, at the closing table.

**LIST YOUR FRANCHISE  
FOR SALE**

# CONCLUSION

**Sell your franchise quickly, affordably, and with confidence.**

Moving on from your franchise is a weighty matter, especially if you need to do so quickly. Taking these first 3 essential steps will help you get there, and get there faster.

Price it Right. List it Right. Show it Right.

Franchise Flippers is the world's premier franchise resale marketplace and resource center. We are dedicated to helping franchise buyers and sellers get win-win deals done quickly and cost-effectively.

Our simple yet engaging listing site, along with our comprehensive resource center, are the perfect solution for every franchise owner needing to sell their franchise fast.

**LIST YOUR FRANCHISE  
FOR SALE**





# ARE YOU FACING A DIFFICULT SITUATION THAT'S FORCED YOU TO SELL YOUR FRANCHISE?

No matter the reason,  
we're here to help.

[LIST YOUR FRANCHISE FOR SALE](#)

# FAQ

## How long does it take to sell a business on average?

It often takes 8-12 months to sell a business. However, by following our 3 critical steps of Price it Right, List it Right, Show it Right, you will be well on your way to speeding up your time frame. Plus, with the Franchise Flippers' "list until it sells" philosophy, you don't have to worry about expensive renewals.

## 8-12 months is a long time! What can I do to be seen by more people and speed up the process?

Set up a Premium Listing on the Franchise Flippers Marketplace so you get maximum exposure by being showcased at the top of the listings page. You can also help drive additional traffic to your profile by using the "share this" feature to drive people to it from social media. Spread the news about your franchise for sale by sharing the link to your Franchise Flippers listing everywhere you can think of and by asking others to pass it on. The more aggressive you are in getting your listing in front of others, the more likely you are to sell it quickly.

## What if my asking price is too high and doesn't get enough interest?

After following the advice we provided, we recommend you start with a price you are comfortable with and see what happens. If you don't get many inquiries, or get a lot of price sensitive feedback from buyers, then you can always lower it. Pick a number you can live with and see what happens.

## I don't have all the financial and operational data for my business handy. Do I need to provide complete and precise information before I go live with my listing?

Providing reasonable information that makes a fair representation of your business should be your goal. You don't need to dig up old tax returns and financial reports to get your listing live. One of the keys to selling your franchise quickly is being visible to others. Spending significant time gathering all the details before creating and posting your listing can be costly. We recommend creating your listing now with the information you know and have handy, and then adding or updating any additional data later.

## Can I leave off my brand and just list the type of business?

The short answer is "Yes." You don't need to provide your brand name in your listing, but it is better to provide as much clarity as possible about who you are and what you do. Unless you have a truly compelling reason to hide the name of your business (which cannot remain anonymous indefinitely), we recommend you provide your brand name in your listing to attract more buyers.

List for franchise for sale today  
at [franchiseflippers.com](https://franchiseflippers.com)

