



National Franchise Sales

SPECIALIZING IN THE RESALE OF FRANCHISE BUSINESSES SINCE 1978

8 STEPS FOR FRANCHISEES PRIOR TO THE SALE OF EXISTING FRANCHISE BUSINESSES

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1. Clean-up your Financial Statements
 - Locate and organize prior years' and year-to-date P&Ls, Sales History, and Tax Returns
2. Get an idea from your Franchisor what improvements are required, and the timeframe for those improvements
3. Let employees know your intentions
 - It's better to hear it from you than the prospective buyer or Franchisor
 - Advise key employees that a new Franchisee will want to keep employees
 - Possibly offer a bonus to keep key employees during the sale process (must keep sales from declining during sale process)
4. Let your bank know, see if there are any pre-payment penalties imposed
 - Inquire if they would have interest in financing the new buyer
5. Contact your accountant to determine what tax consequences might be incurred with a sale
6. Contact your Lessor in regard to any assignment requirements
7. Contact your Franchisor in regard to current training and transfer requirements
8. Decide if you are going to use a broker
 - Be sure the broker has a working knowledge of franchises, experience working with your Franchisor

Be prepared for the time it will take to:

- Qualify a Buyer
- Obtain Franchisor approval
- Obtain Lease approval
- Obtain Financing approval



The marketing, sale, qualifying, approval and closing process could take 3-12 months

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