



**CREATING YOUR  
CORPORATE EXIT  
STRATEGY**

# Craig Wells

## FranNet, Franchise Specialist

- Founder: One Hour Photo Chain – Seattle 1985
- Owner: MAACO Auto Painting franchise – Seattle 1991
- Franchisor: Cash Plus, Inc. – International 1996 to Present
- Sponsor: McDermott and Bull



# Agenda (60 Minutes)

Elephant in the Room (COVID-19)

Transitioning from Job to Entrepreneur

Semi-Absentee Ownership

Why Invest in a Franchise?

Three BIG Questions?

Next Steps

Financing Options

# WHO IS FRANNET?

- 32+ year old International Franchise Consulting firm
- Over 100 locally-based consultants across North America
- National partnerships with SCORE and SBDC
- Match people who want to be in business with a franchise that meets their needs
- Our services are always 100% FREE to our clients



# WHAT FRANNET DOES

NO  
COST!

## **We match *Prospects with Franchisors***

- We educate candidates on opportunities in business ownership
- We offer our clients choices so they can make informed decisions
- We pre-screen:
  - All franchisors to our applicants' standards
  - All applicants to franchisors' standards
- We do not sell franchises

# NOT OUR FIRST RODEO ...

## **PAST:**

Dotcom bust, 9/11, Great Recession

## **PRESENT:**

COVID-19

Focus:

- Recession-resistant
- Low cost
- Low overhead
- Service-based businesses

# HOW TO USE THIS TIME

*Exploring opportunities is not the same as committing to a purchase.*

## **Hit the Brakes!**

- We get it
- This isn't for everyone

## **Tap the Brakes**

- Proceed cautiously
- Pull the trigger w/ clarity on COVID-19
- What IS clarity for you and is it realistic?

## **Full Speed Ahead!**

- THIS is the time
- Take advantage of opportunities (low interest rates, increased vacancies, lower costs, etc.)
- Possible huge economic opportunity on the other side, I'll be ready
- Prepare now, take off when I want

Security,  
Predictability,  
Familiarity

or

Control,  
Autonomy,  
Freedom

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Job

Ownership





Security,  
Predictability,  
Familiarity

or

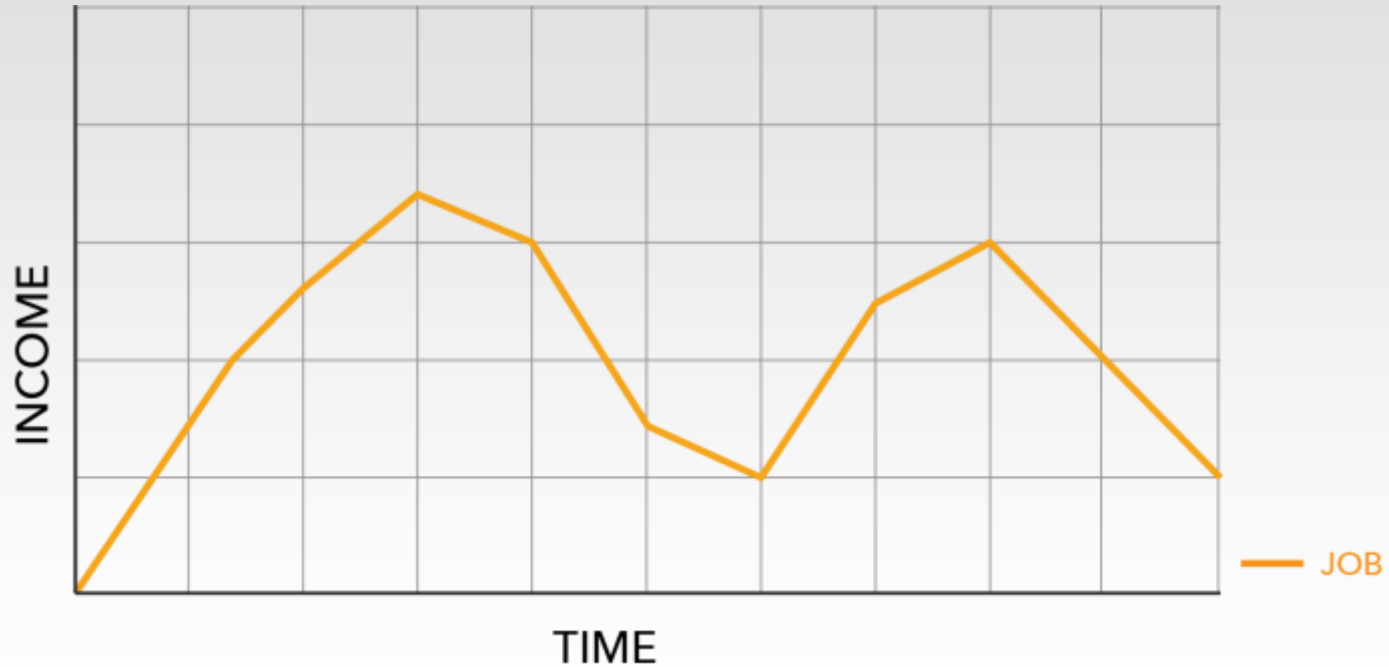
Control,  
Autonomy,  
Freedom

Job

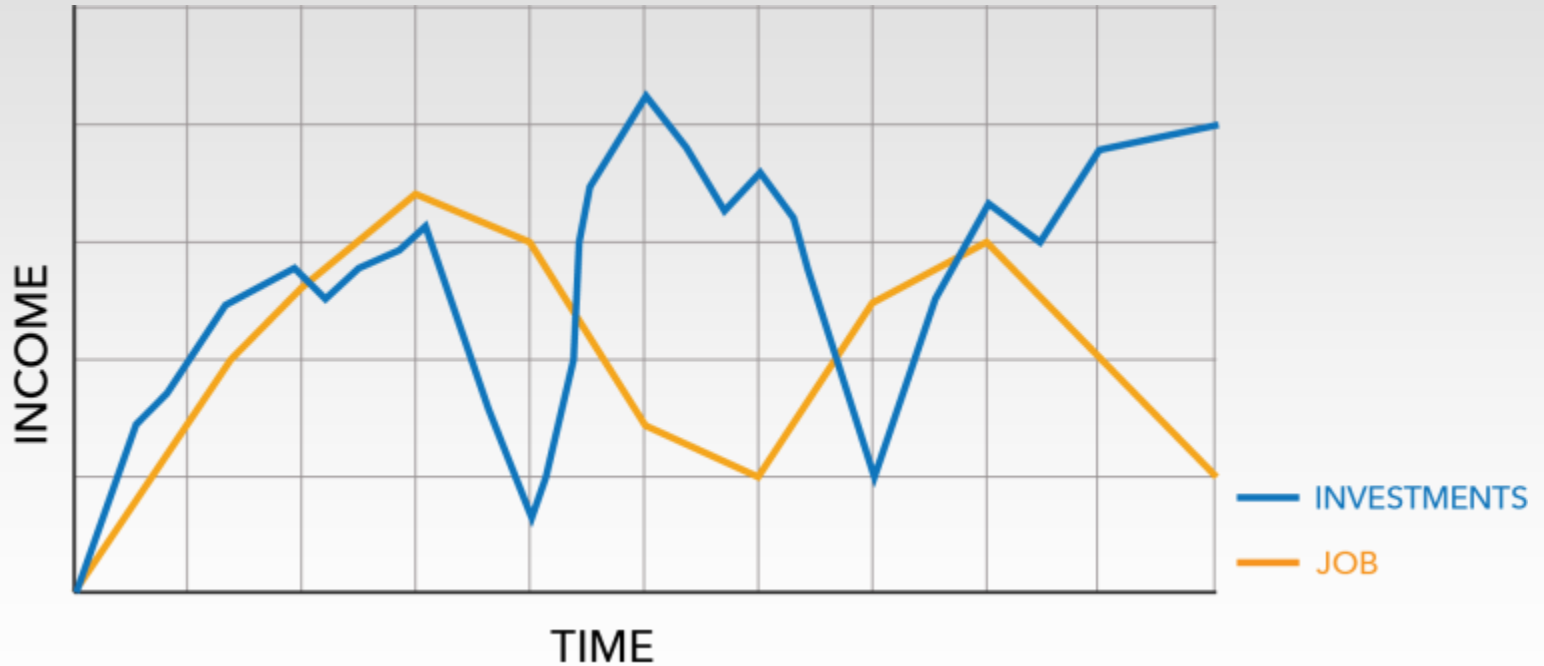
Ownership

How can I safely make a change?

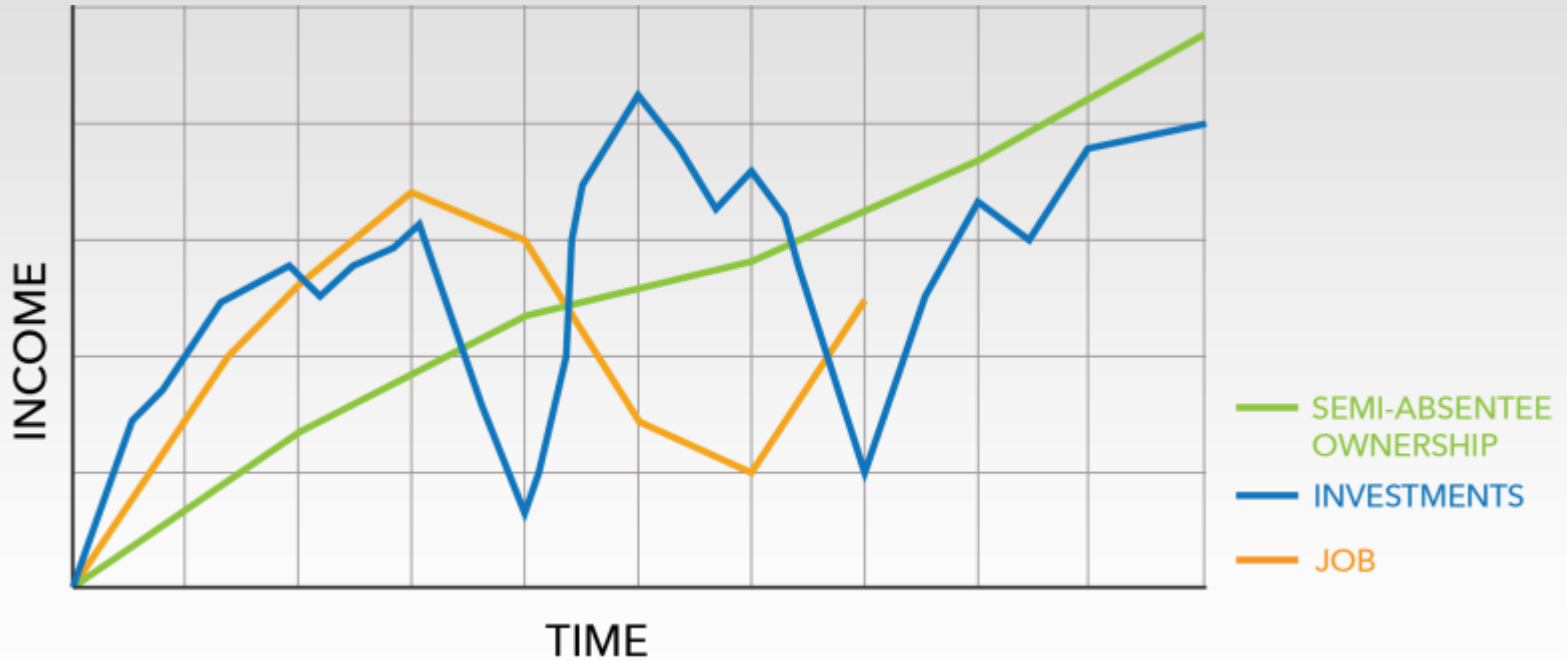
# Change ...



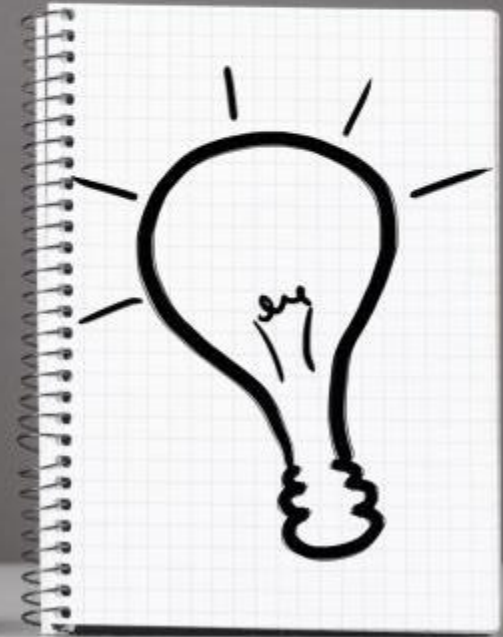
# and more change ...



# Franchise Investment



# Semi-Absentee Ownership





# OWNER

- Keep job/business
- Work “on”, not “in”
- 8-10 hours/week
- Leadership
- No industry experience



# OWNER

- Manage the Manager
- Oversee KPIs
- Hiring\*
- Marketing
- Run business remotely

*\*Employees are often trained/certified in their trade*



# LOCATION

- Often store front
- Secure prime real estate
- Multi-unit



Your  
Goals!





# FOCUS

- Build Equity
- Empire Building
- Residual Income

# Why Invest in a Franchise?

Build Net  
Worth

Semi-  
to Full  
Retirement

Diversify  
Investment  
Portfolio

Corporate  
Exit  
Strategy

# RECESSION-RESISTANT

Many businesses thrive in all economic conditions

Growing markets driven  
by demographics

- Senior Care and Services
- Residential Repairs/  
Home Modification
- Cleaning Services

Essential Services

- Hair Care/Beauty
- Fitness
- Automotive
- Damage Restoration

Businesses that help other  
small businesses

- Business coaching
- Digital Marketing/Advertising
- Staffing
- Sales/Employee Training

What's Hot In Southern California?

# How to Capitalize

START

# FINANCING

\$200k Total Investment

\$20,000 to \$30,000 Cash

SBA loans

Traditional loans

Franchisor financing

Investors

Friends & Family



# Financing Facts:

## Sources of capital:

- Personal savings
- Friends, relatives or partner
- Home equity line of credit
- Financial Institutions
- Seller financing – resale
- **Self-directed 401K, IRA, etc.**

A close-up, shallow depth-of-field photograph of a desk. In the foreground, a document titled "OVERVIEW" is open, showing a bar chart with a green bar and a red bar. A red pen lies on the document. A pair of glasses with dark frames and red temples is placed on the document. To the right, a white smartphone is resting on a silver laptop. In the background, a colorful ball of rubber bands is visible. The overall scene suggests a professional or business environment.

**RETURN**

**ON**

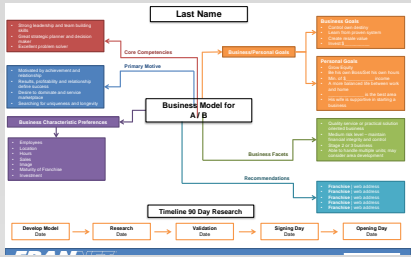
**INVESTMENT**

*“How much can I expect to make?”*

**FRAN**NET<sup>™</sup>  
LOCAL. TRUSTED. FRANCHISE EXPERTS.







FranNe  
+

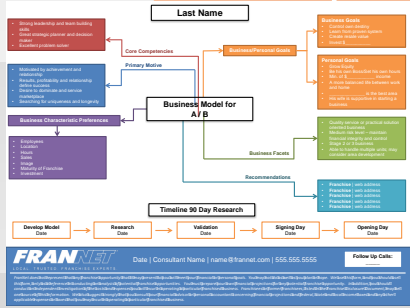
Step 1

Franchisor  
Interviews

FDD

Step 2

Call and  
Visit  
Franchisees



FranNet

Step 1

Franchisor Interviews

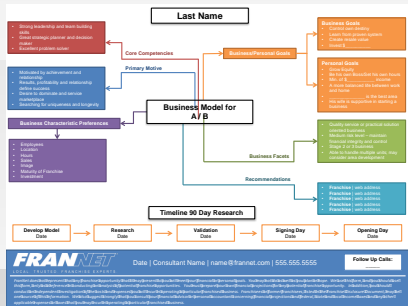
FDD

Step 2

Call and Visit Franchisees

Step 3

Visit Franchisor



FranNet

Step 1

Franchisor Interviews

FDD



Funding Options

Step 2

Call and Visit Franchisees

Step 3

Visit Franchisor

Step 4

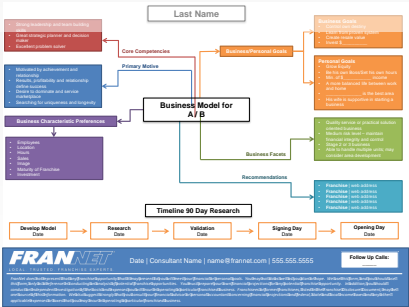
Consult with Professional Advisors



Franchise Attorney



Accountant



(Refer to your RoadMap to Success Guide)



60-90  
Days



Funding Options

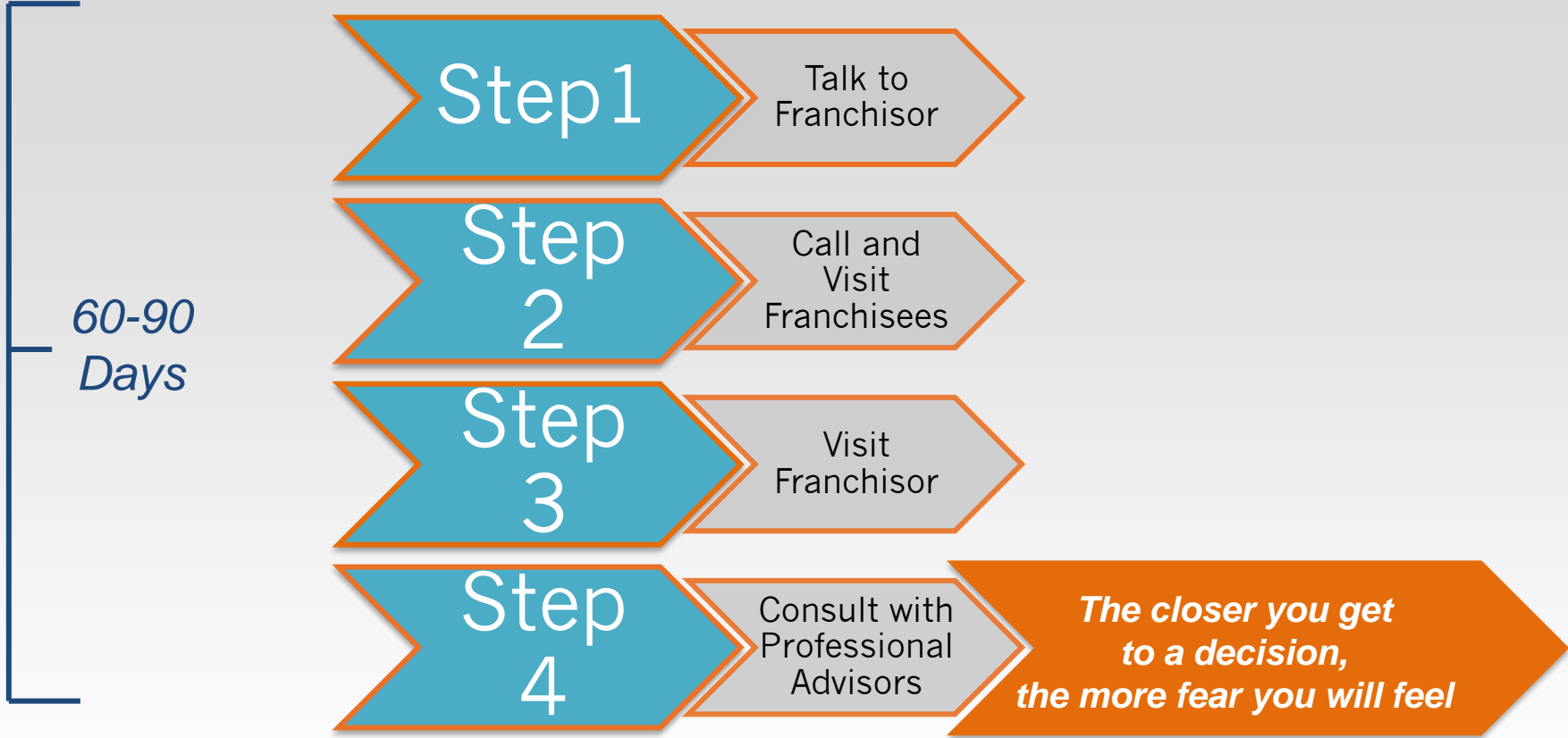


Franchise Attorney



Accountant

*(Refer to your RoadMap to Success Guide)*

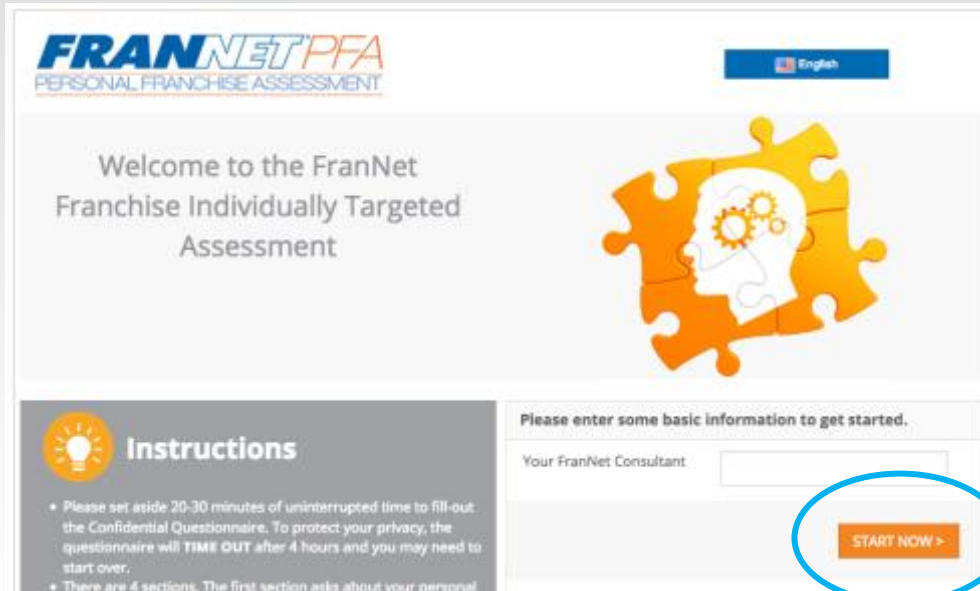


(Refer to your RoadMap to Success Guide)

# Let's Keep Talking!

1

Visit: [www.fran.net.com/cwells/cq](http://www.fran.net.com/cwells/cq)  
to complete the **No Cost** PFA



The screenshot shows the FranNet PFA website. At the top left is the logo "FRANNET PFA PERSONAL FRANCHISE ASSESSMENT" with a language selector set to "English". The main heading reads "Welcome to the FranNet Franchise Individually Targeted Assessment". Below this is a graphic of puzzle pieces forming a head with gears. On the left, an "Instructions" box contains the following text:

- Please set aside 20-30 minutes of uninterrupted time to fill-out the Confidential Questionnaire. To protect your privacy, the questionnaire will **TIME OUT** after 4 hours and you may need to start over.
- There are 4 sections. The first section asks about your personal

On the right, a form titled "Please enter some basic information to get started." has a field for "Your FranNet Consultant:" and a "START NOW >" button circled in blue.



2

Schedule a call to review your results





# NEXT STEPS

Let's chat.  
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[cwells@frannet.com](mailto:cwells@frannet.com)

**FRANNET**  
LOCAL. TRUSTED. FRANCHISE EXPERTS.

# Upcoming Live Event (Virtually)

## Meet 5 Franchise Businesses

(seeking expansion in So. Cal.)

- Semi-Absentee
- Business-2-Business
- Light Manufacturing
- Senior Care
- Other Essential Services
- **Wednesday, April 29 // 10:00 to 12:00**
- [cwells@frannet.com](mailto:cwells@frannet.com) for registration info.