



Home Based Franchises Pros and Cons

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So, you think you are interested in a home based franchise. There are myriad advantages to home-based franchises, and a gamut of pitfalls. You have probably thought through many of the “pros” of working from home, so, for this chapter of your franchise education, let’s start with the “cons.” If you make it through those, you might be a candidate for a home-based franchise!

CONS

Isolation: Some people are surprised at how isolated they feel. If you are a team player who enjoys a lot of personal interaction, a home-based franchise might not be a good fit. Of course not all home-based businesses are isolating. Some home based franchises require face-to-face calls with clients, and/or a good deal of community involvement. Some home-based franchise business models require that you manage a team of technicians who call on customers. But in the end, working from your home can be lonely.

Distractions: If you’re easily distracted, think it through. Will you be able to resist the siren’s call of the kids, dog, errands, housework, yard work, car maintenance, home repairs, personal e-mail, and Facebook? Not to mention the refrigerator. In short, your business won’t work if you don’t work.

Jack of All Trades: You will need to answer your own phone, set your own appointments, do your own filing, and fix your own stuff. Internet down? Computer crashed? Need to write a memo? Send out some brochures? Buy stamps? Create a power-point presentation? Reconcile the books? Call a client who hasn’t paid? It’s all up to you. If you have a secretary now, consider whether or not you are willing and able to handle that work. It’s not as easy as it looks, and many executives who start a home-based franchise miss their secretaries immensely.

Deed Restrictions: Some of you live in Deed Restricted communities. It is important to review your deed restrictions before opening a business. Can you park a logoed vehicle in your driveway at nights? Can you use your garage as a work area for your business? Are there other restrictions? Keep in mind that the neighbors may not be as enthused about your Home Based Franchise as you are.



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Employees: As businesses grow, they hire employees or subcontractors. These folks will need to visit your home to get paid, have meetings and or receive their instructions for the next day. Do you want to have your employees sitting around the dining room table? It is something to think about. By the way, if you plan to do all the work yourself without employees or subcontractors, you are probably looking at home based self employment, not a home based business.

PROS

Lower Rental Costs: The first, and most obvious ‘Pro’ is lower cost. Owning a home-based franchise is one of the least expensive ways to have a business. There’s no rent, there are few employees, and you may already own some of the office equipment you’ll need.

Lower Investment: In addition, home based franchises usually have a lower total investment cost. Some franchise businesses let you start from a home office and then transition to an outside office as your business grows. This is sometimes known as the best of both worlds!

Fast Start Up: Home based franchises have the fastest startup of any type of franchise. The relatively simply set up allows a person to quickly move from signing a franchise agreement to operating a business.

Faster Break Even: Most people think that a fast break even is driven by big sales. In most cases this is not true. Cash flow break even is mostly effected by having lower fixed costs. Home based Franchises have the lowest fixed costs of any type of franchise. Therefore, they generally have some of the faster break evens.

No commute: Save gas and time. It’s a green solution! It also gives you more time to work. Instead of spending 2 hours each day in the car getting to work and returning home, you are able to dedicate more time to building your business.

Casual Fridays: They’re not just for Fridays anymore. If you like to work in your bath robe, you can. Just remember to change if someone is coming to meet you!



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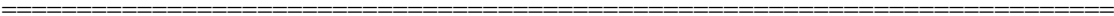


WHAT IT TAKES

Your work style is the key to success in a home-based business. Qualities that will go a long way include:

- ◆ Self motivation
- ◆ Organization
- ◆ Experience with goal setting – can you make a plan and work that plan.
- ◆ Discipline
- ◆ Self management
- ◆ The ability to handle a variety of tasks
- ◆ The ability to prioritize
- ◆ Focus.

Take an honest look at yourself, your skills and your desires. Everyone pines for a home-based business, but not everyone would actually like it if they had it. On the other hand, if you have the skills and drive, a home-based franchise is a tremendous opportunity that can help you meet all your needs!



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The Educated Franchisee is dedicated to franchise education through the sharing of franchise information. Our objective is –

“To create educated franchise buyers that have clearly defined objectives and are able to recognize the right, or wrong, franchise when they see it. An educated franchise buyer will move into the franchisee role with their expectations properly set and will have a heightened potential for success within the franchise system creating a win/win for all involved.

To get more franchise information about how to stack the deck in your favor –

Visit our website at www.educatedfranchisee.com or

Purchase our franchise book – [The Educated Franchisee](#) by Rick Bisio, Franchise Consultant or

Contact author directly at rbisio@educatedfranchisee.com or call 941 778 4660.

