

## **BE CAREFUL WITH BOILER PLATE CONSULTANTS WHEN IT COMES TO FRANCHISING YOUR BUSINESS**

By Ken Hollowell

In my nearly 30 years of franchise development I have seen many franchise consultants come and go. The average franchise consultant that seems to appear on the consulting scene is the individual who had been associated with a franchisor and learned a little bit about franchising and now hangs a sign that says "Franchise Consultant".

These types of franchise consultants are dangerous and can easily get a franchisor in a lot of trouble. I have been used in various law suits as an expert witness by law firms to testify on franchising. I have seen first hand the disadvantages of franchisors using so called franchise consultants that have gotten the franchisor into "hot water".

One of the major problems come from a franchisor using a consultant that prepares a boiler plate Uniform Franchise Offering Circular. If in any law suit situation, the attorney can show that YOU, the franchisor, took someone else's UFOC disclosure and made it yours, your credibility is out the window.

The FTC requires that certain material facts be in all franchise disclosures and there is a format that the Franchisor must use, required by the FTC, but taking someone else's disclosure and merely changes the name, and other facts, can make you look unprofessional.

Do not take short cuts in the preparation of your UFOC. National Franchise Services, Inc. has used a 21 page questionnaire for years that does two very important things. One is opens the eyes of the potential franchisor as to how serious the items to be disclosed are and secondly, the things the Franchisor can not answer is used as a teaching tool.

There are many options to consider when putting together the UFOC disclosure. I have for years gone over those options with my client and have allowed the client to pick and choose the best options for the business.

Take the time to investigate the firm or individual you are considering as a franchise consultant.