

## HOW MUCH ABOUT FRANCHISING DO YOU REALLY KNOW?

By Ken Hollowell

Over the past 30 years of franchise consulting and marketing I have had the opportunity of talk to many people about their knowledge of franchising. I am amazed at the lack of knowledge some franchisors have concerning franchising. Here are some questions for you to determine your knowledge of franchising.

1. Who is accredited with being the first franchisor in America?
2. What State was the first to adopted franchise laws?
3. How many States have franchise laws that require a franchisor to file their franchise offering circular, pay a fee, and have the State review the UFOC?
4. How many major items of disclosure are in a UFOC disclosure?
5. What are the three things that identify whether or not you are franchising?
6. What is the different between a License Agreement and a Franchise Agreement?
7. Can you define in one word franchising?
8. Can you define in one word franchise?
9. What was the date FTC Rule 436 went into effect?
10. What are the two most common violations franchisors experience in franchising?

### Answers:

1 Singer Manufacturing Company, 2 California, 3 13, 4 23, 5 Trade marks, Significant Controls & Assistance, \$500 or more required, 6 May be the same, 7 marketing, 8 agreement, 9 Oct. 21, 1979, 10 earning claims & not providing the required disclosure.