HOLA TEAMS | FRANCHISE MANAGEMENT GUIDE

# How to Franchise a Business

## A practical roadmap from proven concept to repeatable franchise system

Franchising a business is not the act of selling more locations. It is the process of converting one successful business into a system that another owner can reproduce with clear economics, standards, training, support and accountability.

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| **Built for** | Founders, emerging franchisors and leadership teams evaluating or beginning franchise expansion |
| **Format** | Practical, non-technical, franchisee-aware |
| **Edition** | 2026 Edition |

### A practical point of view

**Franchising is not just a legal structure or a sales model. It is the discipline of making a business repeatable, supportable and measurable for another owner.**

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## 1 Start with the question most founders skip

Is the business ready to be replicated?

A business can be profitable and still be a poor franchise candidate. The test is not whether customers like the concept. The test is whether a capable franchisee can reproduce the result without the founder standing beside them every day.

**FRANCHISEE-FIRST LENS**

Your franchise model is only as strong as the experience of the person buying it. A franchisee needs a clear operating model, realistic economics, dependable support and confidence that the standards are applied consistently.

Before investing heavily in franchise development, pressure-test six questions:

- Is the customer proposition differentiated enough to compete in more than one local market?
- Can the unit economics support both a franchisee return and the fees required to fund the franchisor?
- Can the operating model be taught, measured and audited rather than explained from memory?
- Are suppliers, technology, staffing, training and brand standards repeatable across locations?
- Can the franchisor support more units without relying on the founder as the escalation point for everything?
- Would you still want to own this system if the next ten locations were operated by ten different people?

## 2 Build the franchise model before you market it

The core workstreams

Treat franchising as a coordinated build, not a sequence of isolated documents. Legal, economics, operations, sales and support must agree with one another.

| Workstream | What to design | Output |
| --- | --- | --- |
| 1. Unit economics | Model revenue, labor, occupancy, COGS, local marketing, royalties, technology and working capital. | A realistic franchisee P&L and investment range |
| 2. Franchise offer | Define territory, fees, term, renewal approach, support, training and what the franchisee is actually buying. | A coherent commercial model |
| 3. Legal framework | Work with qualified franchise counsel on the required disclosure, agreements, registrations and jurisdictional requirements. | Compliant franchise documentation |
| 4. Operations system | Document the standards that make the unit repeatable, including opening, daily operations, people, vendors, brand and reporting. | An executable operations manual |
| 5. Recruitment & sales | Define ideal franchisee profile, qualification, discovery, approvals, agreement and payment steps. | A controlled franchise sales journey |
| 6. Onboarding & opening | Turn post-sale work into a standard checklist with owners, dependencies, deadlines and readiness gates. | Consistent openings |

| Workstream | What to design | Output |
|---|---|---|
| 7. Ongoing support | Define training, communications, support routing, visits/assessments, corrective actions and escalation. | A supportable network |
| 8. Data & governance | Decide what is tracked, where it lives, who can see it and who owns each decision. | One source of operational truth |

## 3 Design the franchisee journey end to end

From first inquiry through mature operations

A strong franchise system has clear handoffs. The same information should not be repeatedly re-entered, interpreted differently by departments or lost when ownership changes.

1. Prospect: attract the right candidate and set expectations early.
2. Qualification: assess financial capacity, fit, readiness, territory and timing.
3. Opportunity: confirm the commercial offer, pricing, territory interest and decision path.
4. Agreement: complete required disclosure, contracting and approvals with qualified legal support.
5. Payment / award: record the commercial commitment and hand the franchisee into implementation.
6. Onboarding: assign tasks for legal setup, real estate, construction, vendors, training, marketing and opening readiness.
7. Opening: use a readiness gate rather than a calendar date alone.
8. Active operations: support the location through training, communication, assessments, tickets, reporting and royalties.
9. Lifecycle: manage renewals, transfers, ownership changes, defaults, cures and termination with traceable records.

**THE HANDOFF RULE**

Every stage should end with an explicit owner, status, next action and required evidence. If a stage ends with 'someone will email the next team,' the process is not yet scalable.

## 4 Create a franchise readiness scorecard

Score the system before accelerating recruitment

| Area | What a 5 looks like | Score |
|---|---|---|
| Unit economics | Profitable, resilient and understood across normal operating conditions | 1 2 3 4 5 |
| Repeatability | Core operating steps can be taught and followed without founder intervention | 1 2 3 4 5 |
| Training | Initial and ongoing training have clear outcomes and owners | 1 2 3 4 5 |
| Opening process | Pre-opening work is standardized with dependencies and readiness checks | 1 2 3 4 5 |
| Support model | Questions and issues route to the right team with visible ownership | 1 2 3 4 5 |

| Area | What a 5 looks like | Score |
|---|---|---|
| Brand controls | Standards, approved assets and exceptions are governed consistently | 1 2 3 4 5 |
| Reporting | Franchisor can see location status, performance, compliance and obligations | 1 2 3 4 5 |
| Technology | Core workflows are connected enough to avoid duplicate entry and spreadsheet dependency | 1 2 3 4 5 |

A low score does not automatically mean 'do not franchise.' It means the development plan should close the operational gaps before aggressive franchise sales create more complexity than the system can absorb.

## 5 Avoid the growth mistakes that become expensive later

The common failure pattern is selling ahead of infrastructure

| Mistake | What happens |
|---|---|
| Selling before the model is stable | Early franchisees become beta testers for unresolved economics and operations. |
| Writing the manual after sales begin | The organization documents exceptions instead of a repeatable standard. |
| Treating onboarding as a checklist without dependencies | Tasks get completed, but the location is not actually ready to open. |
| Using too many disconnected tools | Teams lose time reconciling status instead of supporting franchisees. |
| Waiting for problems to create support processes | Every issue becomes an escalation to the founder or senior operator. |
| Measuring activity instead of outcomes | The franchisor tracks calls, tasks and documents but cannot see readiness, compliance or franchisee risk. |

## 6 A practical first 90 days

What to do before trying to scale

| Timing | Priority |
|---|---|
| Days 1-30 | Validate unit economics, define the franchise offer, map the full franchisee lifecycle and identify legal counsel. |
| Days 31-60 | Draft the operations manual structure, define franchisee qualification, build onboarding/opening checklists and assign internal owners. |

| Timing | Priority |
|---|---|
| Days 61-90 | Test the journey with real scenarios, close handoff gaps, define reporting/KPIs and prepare the operating rhythm for the first franchisees. |

**DECISION GATE**

Do not ask 'Are we ready to sell franchises?' Ask 'Can we support the franchisees we are about to sell, at the standard we are promising them?'

THE HOLA TEAMS VIEW

# Build the operating system before the franchise count does

As a franchise system grows, sales, onboarding, location records, training, support, assessments, royalties, communications and reporting stop behaving like separate departments. They become one operating chain. When those handoffs live in inboxes, spreadsheets and disconnected tools, franchisees feel the friction first.

**WHAT CONNECTED OPERATIONS SHOULD DO**

Give the franchisor one reliable operating model while giving each franchisee the right tasks, information, resources and support for their location.

HolaTeams is built around that connected model. It brings the franchise journey into one Microsoft-based operating layer so teams can manage the network without adding the same amount of manual coordination as locations multiply.

| Operating area | What good looks like |
| --- | --- |
| Franchise sales | Lead, qualification, opportunity, agreement and payment handoff |
| Opening | Standard checklists, owners, due dates and readiness |
| Operations | Location records, ownership, lifecycle and searchable network data |
| Quality & support | Assessments, corrective actions and ticket resolution |
| Financial visibility | Sales reporting, royalty records and reconciliation |
| Enablement | Training, approved marketing resources and communications |

**Learn more:** holateams.com

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