



Franchise Agreement Negotiation Secrets

(That Franchisors Don't Want You to Know About)

Negotiating a franchise agreement can feel overwhelming, but knowing these insider tips can give you a huge advantage. Here's what you need to know:

1. Territory

Your territory is key to your success. Each brand designs its territory differently, usually based on factors like population or number of households. But there's often room to negotiate!

- **Territory Design:** franchisors use software to map territories, but these boundaries aren't always ideal. You can negotiate to adjust them — trimming areas you don't want and adding ones that make more sense.
- **Territory Size:** If you're buying multiple territories, you have more leverage. You can try to expand your territory by 10-15% — from, say, 200,000 to 230,000 people.
- **Territory Expansion Rights:** You can request "first right of refusal" for nearby areas. While many franchisors avoid this, you can ask for a handshake deal where you get notified if another buyer is interested.
- **Retail Business:** If you're opening a retail franchise, try to negotiate the largest protected radius. Some franchisors offer no protection, while others give you 3-5 miles.

2. Ongoing Fees

Franchisors are unlikely to budge on royalty percentages, but there are other fees you can negotiate.

- **Minimum Royalties:** Some franchisors require a minimum royalty payment after a certain period (12, 24, or 36 months). See if you can reduce or eliminate these minimums, or extend the timeline before they kick in.
- **Brand Fund:** Most franchisors require you to contribute 1-2% of your sales to a brand fund, with some adding a clause that lets them raise it to 3%. Negotiate to keep it at the current rate.

- **Transfer Fees:** If you're looking to expand by buying up neighboring franchises in the future, you will want to be forward thinking when it comes to transfer fees. Try negotiating to reduce these costs.
- **Other Fees:** Go through the fine print for other fees (like marketing or business development costs). Many of these can be reduced, especially for the first year.

3. Start-Up Costs

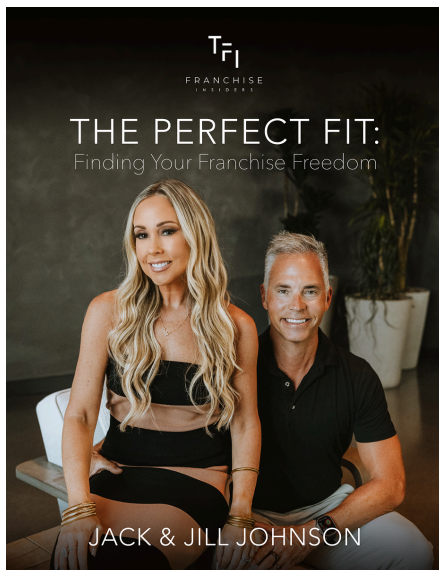
Franchisors can't change the initial franchise fee due to legal requirements, but other start-up costs are negotiable.

- **Training & Marketing Fees:** These fees are often negotiable and not publicly disclosed. Ask to have them lowered, especially for the first year, or see if some of them can be waived.

There are many other negotiation tactics you can take. Schedule a call to discuss.

About Us – Jack and Jill Johnson

The Franchise Insiders






We are Jack and Jill Johnson, and together we help corporate executives explore franchise ownership as a path to building generational wealth, achieving work-life balance, and regaining control of their professional futures. With over 600 successful franchise placements, we combine our hands-on experience in both franchising and business ownership to help others achieve their entrepreneurial goals.

What We Do:

We specialize in guiding corporate professionals toward franchise ownership that aligns with their goals, lifestyle, and financial aspirations. By providing personalized, strategic guidance, we help our clients navigate the decision-making process to find the perfect franchise match. Our unique approach draws on both our expertise as franchise consultants and our experience as successful franchise owners.





Services We Provide:

-  Personalized Franchise Opportunity Matching
 -  Franchise Investment Assessment & Guidance
 -  Franchise Ownership Education & Preparation
-

What Makes Us Unique:

Our experience sets us apart. Not only have we successfully placed over 600 clients into the right franchise opportunities, but we also co-own and run **Pink's Window Services**, a thriving franchise business. Jack's background includes building and selling a major franchise system, while Jill transitioned from a Fortune 500 corporate career to franchise ownership. Together, we bring both the **franchisor** and **franchisee** perspectives to our work. This firsthand experience allows us to guide our clients through every stage of franchise ownership - from selection to successful operation.

Benefits Our Clients Realize:

-  Freedom from corporate constraints
 -  Building wealth through business ownership
 -  Flexible lifestyle with more family time
 -  Control over professional destiny
-

Ready to Talk?

Connect with us on [LinkedIn \(Jack\)](#) or [LinkedIn \(Jill\)](#), or schedule a call here: <https://calendly.com/jack-franchiseinsiders>.

We look forward to connecting with you soon!