

# How to Sell a Franchise Business: As a Franchisee

The decision to sell a franchise is a big one that should be planned and prepared for carefully. If you are a franchise owner currently, chances are you have put a lot of money, time, and effort into the business. It makes sense that with this investment, you want to get the best possible price when you sell. The trick is to use the right steps to ensure a successful sale and a favourable outcome!

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### Steps for Selling a Franchise

There are a few considerations and documents that need to be taken into account before jumping right into the selling process. Taking time to ensure you are well-prepared before even listing your franchise will give you a nice boost towards your ultimate goals.

#### **Step 1: Communicate with Your Franchisor**

When you make the final decision to sell your franchise, talk to your Franchisor. Franchisors who have been in the industry for a while will be used to franchisees exiting at some point. By involving your Franchisor in the process of selling your business, they can also help with the resale or transfer as your Franchisor needs to give approval to a new franchisee buying your business.

Typically, your franchisor will be able to assist with the following information:

- Transfer fees: Generally, these will be listed in your franchise agreement if they are applicable. If they are not listed, speak to your franchisor about the process and what to tell your potential purchaser.
- Your target buyer: Because the franchisor needs to approve the buyer before you can sell your business, you'll need to understand their specifications before listing your franchise just anywhere.

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• Franchise valuation: Franchisors can guide you on the right selling price according to the price of assets, etc. Getting a <u>professional business valuation</u> for your franchise is also recommended.

Some franchisors will not want to be involved in the selling process apart from approving the buyer. Others, however, understand the value of giving input; a new franchisee may even increase revenues (which is always good news for the franchisor). Franchisors will also want to avoid having a franchise closed for long periods, should there be a holdup on the sale.

## Step 2: List Your Franchise for Sale

Finding the right platform to sell your franchise will ensure that you reach your audience efficiently and effectively. Because the process of selling your franchise can be very time-consuming, you'll want to find the best and easiest way, with the least cost involved. <u>Selling your franchise online</u> on a hub where franchises are sold and bought is a great start!

## Step 3: Negotiate and Close the Deal

This step is the most exciting one! You have a buyer to negotiate with, and you need to know how to negotiate correctly so that you don't chase them away. Once you have settled on a price, it's time to start preparing closing documents and looking towards what your next endeavour will be!

To assist with business valuations, as well as a comprehensive site with eager buyers looking for franchises for sale, contact our team!

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