

## [What Do Franchise Agreements Agree To?](#)

After searching for the ideal business opportunity that you want to engage in, you finally decided on the challenge of a franchise business. You believe that starting from scratch and with your own home business opportunity is not for you. With your capital, you believe you would go further with a franchise and understand that you are almost an equal partner in the business franchise but will have less to do with the decisions and more on the management of its operations.

Now, you have been qualified as a good franchisee after you've completed the necessary documents and financial requirements, it is time for you to look over the franchise agreement being offered by the parent company, the franchiser.

The franchise agreement is the contract that binds you and your franchiser together. It contains very detailed provisions regarding your rights, obligations and privileges as a franchisee and what the franchiser will provide, expect and demand in return from your partnership. It also specifies the duration of the franchise and any possibility for renewal, regulations for trademarks and patents, terms of payment for royalties and other fees and how to deal with termination issues should the need arise. Every franchise agreement is different for each franchise and between franchisee and franchiser.

Your first major step is to take this franchise agreement, given to you by your franchiser for review, to a lawyer who specializes in franchise deals and have him go over the contract with you so that you'll have a better grasp of all the minute details that go into a franchise business. Also, this serves to compare whether all the particulars included in the disclosure statement as given by the franchiser are included in the actual franchise agreement. But what does the contract usually contain?

For a franchisee, you should expect to see stipulations regarding the provision of training for you and your staff in the management of the franchise. This is very important because this will immerse you in the culture of the organization as well as provide you with your operational duties and responsibilities as a franchisee. There should also be a clause that provides for the supply of goods and/or services. How will you be able to run the business and keep your quality constant if the franchiser does not deliver your materials? Another provision to look out for is the one for advertising and promotions.

It is the franchiser's responsibility to provide for the advertising and marketing of the franchise. You should also make sure that there are stipulations in the contract for assistance in site acquisition and the fitting out of the outlet in the manner suited to the franchise design. Aside from these, you should expect to see details on the further improvement of the business system and the provision for accounting services as well.

On the franchiser side, he will wish to protect his business and will therefore set rules so he can do so. He will most likely set provisions for monitoring and regulating his franchise. He will also set guards against unfair competition and protection for his intellectual property. Naturally, he will set forth rules and restrictions on the rights of his franchisee.

The franchise agreement is legally binding to both parties and it is their responsibility to make sure that their sides will be equally protected. Negotiations are usually welcome and as a franchisee, you should exercise this privilege. It is your investment at stake as well.

### About the Author

Tristan Andrews writes useful articles about [franchises](#). Discover the world of Franchising. Explore [franchise opportunities](#) that can expand your financial horizons at <http://www.franchise-guide.org/>

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