



FRANCHISE BUSINESS PLAN

FRANCHISE BUSINESS PLAN EFB

Sponsored by Franchise Education and Research Foundation



The **Franchise Business Plan** involves the development of a comprehensive business plan proposal to buy into an existing franchise.

Participants in the Franchise Business Plan will:

- prepare a written proposal for becoming a franchisee
- present the proposal in a role-playing interview

ENTREPRENEURSHIP

EVENT OVERVIEW

- This event consists of two major parts: the **written document** and the **oral presentation**. The written document will account for 60 points, and the oral presentation will account for the remaining 40 of the total 100 points.
- Each event entry will be composed of **one to three members** of the DECA chapter. All participants must present the project to the judge. All participants must respond to questions.
- The body of the written entry must be limited to **30 numbered pages**, including the appendix (if an appendix is attached), but excluding the title page and the table of contents.
- The **Written Event Statement of Assurances and Academic Integrity** must be signed and submitted with the entry. Do not include it in the page numbering.
- The participants may bring all visual aids to the event briefing. Only approved visual aids may be used during the presentation.
- The oral presentation may be a maximum of **15 minutes** in length, including time for judge's questions.
- The judge will evaluate the presentation, focusing on the effectiveness of public speaking and presentation skills and how well the participants respond to questions that the judge may ask during the presentation.

KNOWLEDGE AND SKILLS DEVELOPED

Participants will demonstrate knowledge and skills needed to address the components of the project as described in the content outline and evaluation forms.

Participants will also develop many 21st Century Skills, in the following categories, desired by today's employers:

- Communication and Collaboration
- Creativity and Innovation
- Critical Thinking and Problem Solving
- Flexibility and Adaptability
- Information Literacy
- Initiative and Self-direction
- Leadership and Responsibility
- Media Literacy
- Productivity and Accountability
- Social and Cross-cultural Skills

Many Common Core Standards for Mathematics and English Language Arts & Literacy are supported by participation in DECA's competitive events.

Crosswalks that show which 21st Century Skills are developed and which common core standards are supported by participating in each competitive event are available at deca.org.

WRITTEN ENTRY GUIDELINES

The written entry must follow these specifications. Refer also to the Written Entry Checklist and the Written Entry Evaluation Form.

WRITTEN EVENT STATEMENT OF ASSURANCES AND ACADEMIC INTEGRITY. This must be signed and submitted with the entry. Do **not** include it in the page numbering.

TITLE PAGE. The first page of the written entry is the title page. It must include in any order, but is not limited to, the following:

FRANCHISE BUSINESS PLAN

- Name of DECA chapter
- Name of high school
- School address
- City, State/Province, ZIP/Postal Code
- Names of participants
- Date

Title page will **not** be numbered.

TABLE OF CONTENTS. The table of contents should follow the title page. The table of contents may be single-spaced and may be one or more pages long. The table of contents page(s) will **not** be numbered.

BODY OF THE WRITTEN ENTRY. The body of the written entry begins with Section I, Executive Summary, and continues in the sequence outlined here. The first page of the body is numbered “1” and all following pages are numbered in sequence. Page numbers continue through the bibliography (required) and the appendix (optional).

This outline must be followed. Points for each section are included on the Written Entry Evaluation Form. Each section must be titled, including the bibliography and the appendix.

I. EXECUTIVE SUMMARY

One- to three-page summary of the business model

II. BUSINESS HISTORY, BACKGROUND, AND OBJECTIVES

- A. Describe the company you wish to purchase franchise rights for
- B. List your short-term (next 12 months) and long term objectives
- C. Describe the company’s major successes and achievements to date
- D. Describe the company’s challenges and obstacles
- E. Describe any changes in structure, management, ownership, etc. that have taken place in the past year

III. BUSINESS ENVIRONMENT

Describe how environmental factors such as the local, national, or international economy, changes in population, interest rates, changes in levels of employment, etc. may affect your business

IV. PRODUCTS AND/OR SERVICES

- A. List and describe the products and/or services offered
- B. Describe any planned changes or additions to the present line of products/services within the next year

V. PRESENT MARKET

- A. Describe the present market (geographic location of your potential customers, types of customers)
- B. Describe the growth potential in your market
- C. Describe the current pricing policy
- D. If the business is seasonal, explain how the company adjusts to seasonal factors

VI. COMPETITION

- A. List the company’s primary competitors in your market. Identify their strengths and weaknesses
- B. List the advantages the company has compared to its primary competitors
- C. List the disadvantages the company has compared to its primary competitors

VII. MARKETING PLAN

- A. Describe the customers and geographic territory to be targeted for marketing efforts to generate revenue
- B. Describe the company’s existing marketing techniques, strategies, and tools
- C. Describe the marketing techniques, strategies, and tools you will use in the future to promote the business



1 to 3
PARTICIPANTS



30
PAGES
ALLOWED



15
PRESENTATION
TIME

VIII. MANAGEMENT AND ORGANIZATION

- A. Describe your management team and its strengths and weaknesses
- B. Describe your plan to further develop your management team
- C. Describe your management succession plan—who will take over in the event of the incapacity or continued absence of any owner or key employee?
- D. Describe the need for, and how you will obtain, additional management personnel based on present and projected sales

IX. BUSINESS RESOURCES

- A. List the major operating equipment that you will purchase or lease
- B. List major suppliers, location, and payment terms
- C. Identify other outside resources used or needed to fulfill customer requirements
- D. Describe quality control procedures
- E. Describe the availability of skilled labor to meet your company needs
- F. Describe the type and extent of necessary training that will be required to upgrade the skills of labor and administrative employees and the estimated cost
- G. Projected number of full-time and part-time employees
- H. Organizational chart

X. FINANCIAL PLAN AND DATA

- A. Describe the company's sales and profit trends
- B. Outline your strategy and timing for obtaining capital
- C. Two-year projected operating statement
- D. One-year projected cash flow statement

XI. CONCLUSION

Specific request for financing, summary of key points supporting the financial request

XII. BIBLIOGRAPHY

XIII. APPENDIX

An appendix is optional. Include in the appendix any exhibits appropriate to the written entry but not important enough to include in the body; these might include sample questionnaires used, letters sent and received, general background data, minutes of meetings, etc.

WRITTEN ENTRY CHECKLIST

In addition to Written Entry Guidelines, participants must observe all of the standards on the Written Entry Checklist on page 52. These standards are designed to make competition as fair as possible.

PRESENTATION GUIDELINES

- Prior to the presentation, the judge will evaluate the written portion of the entry. The major emphasis of the written entry is on the content. Drawings, illustrations and graphic presentations (where allowed) will be judged for clarity, not artistic value.
- The participants will present the project to the judge in a 15-minute presentation worth 40 points. (See Presentation Judging.)
- The presentation begins immediately after the introduction of the participants to the judge by the adult assistant. Each participant must take part in the presentation.
- Each participant may bring a copy of the written entry or note cards pertaining to the written entry and use as reference during the presentation.
- If time remains, the judge may ask questions pertaining to the proposal.
- The participants may use the following items during the oral presentation:
 - not more than three (3) standard-sized posters not to exceed 22¹/₂ inches by 30¹/₂ inches each. Participants may use both sides of the posters, but all attachments must fit within the poster dimensions.
 - one (1) standard-sized presentation display board not to exceed 36¹/₂ inches by 48¹/₂ inches.
 - one (1) desktop flip chart presentation easel 12 inches by 10 inches (dimensions of the page).
 - one (1) personal laptop computer.
 - cell phones/smartphones, iPods/MP3 players, iPads/tablets or any type of a hand-held, information sharing device will be allowed in written events **IF** applicable to the presentation.
 - sound, as long as the volume is kept at a conversational level.
- Only visual aids that can be easily carried to the presentation by the actual participants will be permitted, and the participants themselves must set up the visuals. No set-up time will be allowed. Participants must furnish his/her own materials and equipment. No electrical power or Internet connection will be supplied
- Materials appropriate to the situation may be handed to or left with judges in all competitive events. Items of monetary value may be handed to but may not be left with judges. Items such as flyers, brochures, pamphlets and business cards may be handed to or left with the judge. No food or drinks allowed.
- If any of these rules are violated, the adult assistant must be notified by the judge.

PRESENTATION JUDGING

Participants will make a 15-minute presentation to you. As the judge, you are to assume the role of a potential source of capital for the business. You may refer to the written entry, or to notes, during the presentation.

At the beginning of the presentation (after introductions), the participants will present the proposal. Allow the participants to complete this portion without interruption, unless you are asked to respond. Each participant must take part in the presentation.

If time remains, you may ask questions that seem appropriate, based on your notes or on the written entry itself (to which you may refer during the presentation).

At the conclusion of the presentation, thank the participants. Then complete the Presentation Evaluation Form, making sure to record a score for all categories. The maximum score for the evaluation is 40 points.



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WRITTEN ENTRY EVALUATION FORM

Please refer to the **Written Entry Guidelines** for a more detailed explanation of these items.

| EXECUTIVE SUMMARY | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|-----------------------|-------------------------|-----------------|
| 1. One- to three-page description of the business model | 0-1 | 2-3 | 4 | 5 | |
| BUSINESS HISTORY, BACKGROUND, AND OBJECTIVES | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 2. Description of the company, objectives, company successes and challenges and changes in structure | 0-1 | 2-3 | 4-5 | 6 | |
| BUSINESS ENVIRONMENT | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 3. Description of how environmental factors may affect the business | 0-1 | 2-3 | 4 | 5 | |
| PRODUCTS AND/OR SERVICES | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 4. List of and descriptions of the products and/or services offered and plans for changes or additions | 0-1 | 2-3 | 4 | 5 | |
| PRESENT MARKET | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 5. Description of the present market, growth potential and pricing policy | 0-1 | 2-3 | 4 | 5 | |
| COMPETITION | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 6. List of the company's primary competitors in the market and identification of their strengths and weaknesses | 0-1 | 2-3 | 4 | 5 | |
| MARKETING PLAN | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 7. Description of targeted customers. Description of existing and future marketing techniques. | 0-1 | 2-3 | 4-5 | 6 | |
| MANAGEMENT AND ORGANIZATION | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 8. Description of the management team, management team development plan, succession plan, and the need for additional personnel | 0-1 | 2-3 | 4-5 | 6 | |
| BUSINESS RESOURCES | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 9. Identified major operating equipment, major suppliers, payment terms, outside resources, quality control procedures, availability of skilled labor, training needs, number of full-time and part-time employees, and developed an organizational chart. | 0-1 | 2-3 | 4-5 | 6 | |
| FINANCIAL PLAN AND DATA | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 10. • Description of the company's sales and profit trends • Outline of strategy and timing for obtaining capital • Two-year projected operating statement • One-year projected cash flow statement | 0-1 | 2-3 | 4-5 | 6 | |
| CONCLUSION | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
| 11. Specific request for financing, summary of key points supporting the financial request | 0-1 | 2-3 | 4 | 5 | |

WRITTEN ENTRY TOTAL POINTS (60)

JUDGE _____



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PRESENTATION EVALUATION FORM

| PRESENTATION | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
|---------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|-----------------------|-------------------------|-----------------|
| 1. Opening presentation; description of the plan; organization, clarity and effectiveness of the presentation | 0-1 | 2-3 | 4 | 5 | |

| TO WHAT EXTENT DID THE PARTICIPANTS: | LITTLE/ NO VALUE | BELOW EXPECTATIONS | MEETS EXPECTATIONS | EXCEEDS EXPECTATIONS | JUDGED SCORE |
|-------------------------------------------------------------------------------------|---------------------|-----------------------|-----------------------|-------------------------|-----------------|
| 2. Assess opportunities for venture creation | 0-1 | 2-3 | 4 | 5 | |
| 3. Determine feasibility of venture ideas | 0-1 | 2-3 | 4 | 5 | |
| 4. Assess start-up requirements | 0-1 | 2-3 | 4 | 5 | |
| 5. Evaluate risk-taking opportunities | 0-1 | 2-3 | 4 | 5 | |
| 6. Explain the complexity of business operations | 0-1 | 2-3 | 4 | 5 | |
| 7. Determine relationships among total revenue, marginal revenue, output and profit | 0-1 | 2-3 | 4 | 5 | |
| 8. Describe marketing functions and related activities | 0-1 | 2-3 | 4 | 5 | |

| | |
|---------------------------------------|--|
| PRESENTATION TOTAL POINTS (40) | |
| WRITTEN ENTRY (60) | |
| PRESENTATION (40) | |
| SUBTOTAL (100) | |
| LESS PENALTY POINTS | |
| TOTAL SCORE | |

JUDGE: _____