



[Your Company Name]

[Franchise Brand] - [Your Territory]

Franchise Business Plan

[Year]

Twelve chapters, built around the FDD and the numbers a franchise plan actually turns on

Prepared by

Date

How to use this template

1. Get the FDD in front of you before you write anything. Most of this template is answered out of it, and roughly half the chapters cite a specific item number.
2. Fill in the fee schedule and the initial investment table first. They set the cost base everything else has to clear, and they are the two things a lender checks against the FDD rather than taking on trust.
3. Make the validation calls before you write the market chapter. Ten conversations off the Item 20 list will tell you more about this system than any industry report, and a plan that quotes them reads as researched rather than hopeful.
4. Build the revenue line last, and build it from your own assumptions. If the FDD has no Item 19, nobody is allowed to give you numbers, and a projection that appears from nowhere is the fastest way to lose a lender.
5. Write the executive summary at the very end, once the other eleven chapters give you something to summarise.

This is the full template. Twelve chapters, a prompt under every heading saying what belongs there, and the fee, investment, staffing and five-year tables already laid out so you fill in numbers rather than formatting.

Read this first

This template is an informational document. It is not legal, financial or franchising advice, and using it creates no professional relationship. Buying a franchise is a long contract with real downside, and the documents that govern it are the Franchise Disclosure Document and the franchise agreement, not this file.

Under the FTC Franchise Rule a franchisor must give you the FDD at least fourteen calendar days before you sign anything or pay anything. Use that window. Several US states add their own registration and disclosure requirements on top, and some add a longer waiting period.

A franchisor may only make financial performance representations in Item 19 of the FDD. If Item 19 is blank, nobody at the franchisor, and no broker, is permitted to tell you what you will earn. Treat any number offered outside Item 19 as something to verify, not something to plan on.

Have a franchise attorney review the agreement and an accountant review the projections before you commit. The prompts here tell you what a chapter is for; they cannot tell you whether this particular franchise is a good deal at this particular price in your particular territory.

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Rather not build the projections by hand?

Upmetrics asks you questions and drafts each section, then builds the profit and loss, cash flow and balance sheet so the royalty, the ad fund and the payroll line stay consistent with the staffing plan your lender is reading.

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Executive Summary

Write this chapter last. A lender may read only this page closely, so every number the decision turns on should appear here in a line: the brand, the territory, the total investment, how it is funded, and when the unit covers its own debt service.

What a lender or franchisor is checking

Whether the headline numbers in this summary match the detailed tables later in the plan. They disagree more often than you would think, and a mismatch here costs you the reader's trust on page one.

The franchise and the operator

Which brand, which territory, and who is operating it. If you are signing a multi-unit development agreement rather than a single unit, say so in the first sentence; the whole plan reads differently.

Why this system

Two or three sentences on why this franchise rather than the others you looked at. 'It is a strong brand' is not an answer. Unit economics, territory availability and the support model are.

The investment

Total initial investment, how much is your own injection, how much is borrowed and from whom. Reference the Item 7 range and say where in that range you sit and why.

The numbers

Projected revenue in years one, three and five, the month the unit reaches break-even, and the debt service coverage ratio in year one. Three or four figures, not a paragraph.

The ask

If this plan is going to a lender, state the amount, the term and what secures it. If it is going to the franchisor for approval, state instead what you are asking them to approve.

The Franchise Opportunity

What the system is and what it gives you. This chapter is mostly sourced from FDD Items 1 to 4 and from the franchisor's own materials, and it should be short. The reader does not need the brand's history; they need to know the system is sound.

What a lender or franchisor is checking

That you have actually read the FDD. Citing item numbers and quoting the Item 20 churn figures is the cheapest credibility in the document.

The franchisor

Who they are, when the system started franchising, and how many units exist today split between franchised and company-owned. FDD Item 1 and the Item 20 tables.

The concept

What the business actually sells and to whom, in plain terms. Write it as though the reader has never heard of the brand, because your lender's credit committee may not have.

System growth and churn

Openings, closures, transfers and terminations over the last three years, straight from Item 20. A system with heavy churn is not disqualifying, but you need to have an explanation for it before the lender asks.

Litigation and bankruptcy history

Items 3 and 4. Summarise honestly. A lender who finds this themselves after reading a plan that omitted it will assume you either did not read the FDD or chose not to mention it.

What the franchisor provides

Training, site selection help, the operating manual, supply chain, technology, ongoing field support. Item 11.
Be specific about what is included and what is charged for.

The Agreement, Fees and Obligations

The chapter a general business plan template does not have, and the one that changes every financial projection in this document. A franchise carries permanent deductions from the top line that an independent business simply does not.

What a lender or franchisor is checking

That the royalty and ad fund percentages in this chapter are the same ones used in the five-year projection. This is the single most common arithmetic failure in a franchise plan.

Initial franchise fee

The amount and what it buys. FDD Item 5. Note whether it is discounted for veterans, multi-unit deals or existing franchisees, and whether any part is refundable.

Royalty

The percentage, what it is charged on, and when it is paid. Item 6. Be careful about the base: a royalty on gross sales is a very different number from one on net sales, and your projections have to use the right one.

Advertising and marketing contributions

The national or system fund percentage, plus any required local spend. Item 6. These are two separate obligations and plans routinely budget for only the first.

Other recurring fees

Technology fees, software licences, insurance, training for new staff, renewal fees, transfer fees, audit fees. Item 6 lists them all. Put every one in the fee table, even the small ones.

Term, renewal and transfer

How long the agreement runs, what renewal requires and what it costs, and what happens if you want to sell. Item 17. A lender financing over ten years will check the agreement runs at least that long.

Your obligations

Items 8, 9, 15 and 16. Required suppliers, minimum performance standards, whether you must personally work in the business, and what you are allowed to sell. Restrictions here shape the operating plan later.

Franchise fee schedule

Fee	FDD item	Amount or percent	Charged on	When payable

One row per fee, including the small recurring ones. Every percentage here must appear in the five-year projection on the same base.

DOING THIS BY HAND?

You will be carrying these percentages through every table in the plan. Upmetrics holds the royalty and the advertising fund as percentages of the top line, so they recalculate themselves every time a revenue assumption changes, instead of being retyped in four places.

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The Franchisee

Who you are and why you can run this. For the franchisor's approval committee this is often the chapter that decides it, because they are underwriting an operator rather than an idea.

What a lender or franchisor is checking

Whether you can operate this unit and survive the ramp. An operator with thin experience and deep reserves is financeable. Thin on both is not.

Background and relevant experience

Your work history, with the parts that bear on this business drawn out. Direct industry experience is useful but managing people, controlling costs and running a P&L usually matter more.

Why this brand

What took you from considering a franchise to considering this one. Reference the validation calls in chapter 7 and the discovery day if you attended one.

Your role in the business

Owner-operator, or an absentee owner with a hired manager. Say which plainly. Item 15 may require your personal participation, and some franchisors will not approve a semi-absentee candidate at all.

The management team

Anyone else with an ownership stake or a senior operating role, and what they bring. If you are hiring a general manager, say when and at what salary, and carry that into the staffing table.

Financial position

Net worth, liquid capital available for the injection, and your credit position. Most franchisors publish minimum net worth and liquidity requirements; state yours against theirs.

Territory and Site

Where this unit will trade. Franchise territory is a contractual matter before it is a marketing one, so start with what the agreement actually grants you.

What a lender or franchisor is checking

That the territory supports the revenue you are forecasting. A projection that implies capturing an implausible share of a small territory fails here rather than in the financial chapter.

What the agreement grants

FDD Item 12. Is the territory exclusive or protected, what are its boundaries, and can the franchisor place another unit, a kiosk, or an online channel inside it? Quote the actual terms rather than characterising them.

The territory in numbers

Population, households, median income, daytime population and any demographic the franchisor's site model cares about. Say where each figure came from.

Site selection

The specific site if you have one, or your criteria and shortlist if you do not. Square footage, rent, lease term, parking, visibility, co-tenancy. Note whether the franchisor approves the site and on what basis.

Build-out and opening timeline

From signing to opening, with the major milestones dated: approval, lease, permits, construction, training, hiring, soft open. This timeline drives when the costs in chapter 11 land.

Competition inside the territory

Direct competitors, other units of this same brand nearby, and the substitutes customers actually use. Local and specific. A national industry overview is not this chapter.

Market Analysis

The local market, not the national one. The franchisor has already made the national case and the lender has probably heard it. What they have not heard is why this trade area will support this unit.

Your customers

Who buys this, how often, and what they spend per visit. Use the franchisor's customer data where it exists and say so, then test it against your own territory.

Local demand evidence

What tells you the demand is there: existing competitors trading well, traffic counts, nearby employers, planned development, waiting lists. Evidence rather than assertion.

Industry context

Brief. Size, growth rate and the two or three trends that genuinely affect this unit. Cite sources and dates. Two paragraphs is plenty.

Risks to demand

What would reduce it: a competitor opening, an anchor tenant leaving, seasonality, a road scheme. Naming risks makes the rest of the plan more credible, not less.

Validation and Item 19

The chapter that separates a researched plan from an optimistic one. Item 20 of the FDD gives you a list of current franchisees and of everyone who left in the last year, with contact details. Ring them.

What a lender or franchisor is checking

Whether your projections trace back to something real. An Item 19 citation or a set of validation calls is the difference between a forecast and a wish.

Who you spoke to

How many current franchisees, how many former ones, and how you chose them. Mix units like yours with units older than yours. Speaking only to the names the franchisor suggested is worth noting as a limitation.

What they told you

Revenue ramp, actual costs against the Item 7 estimate, quality of support, staffing difficulty, what they wish they had known. Summarise themes and keep individual figures anonymous unless you have permission.

Former franchisees

Why they left. This is the most uncomfortable call to make and the most informative one. A plan that shows you made it reads very differently from one that does not.

What Item 19 says

If the FDD has an Item 19, state exactly what it covers: which units, which period, gross or net, and what it excludes. If it has none, say so plainly and explain that your projections are built from your own assumptions and the validation calls.

How this shaped the plan

What you changed after the calls. If nothing changed, the calls did not do their job.

DOING THIS BY HAND?

Once the validation calls give you a realistic revenue ramp, Upmetrics turns it into a month by month forecast and tells you when the unit runs out of cash, which is the question those calls are really answering.

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Operations

How the unit runs day to day. The franchisor supplies the system, so this chapter is about executing it rather than designing it. Keep it to what is specific to your unit.

Hours and staffing model

Opening hours, shift pattern, and how many people are on at peak and off-peak. This drives the payroll line, which is usually the largest controllable cost.

Training

The franchisor's initial training programme, who attends, how long it takes and what it costs including travel. Then your plan for training staff you hire later, which is usually yours to fund.

Suppliers and inventory

Required and approved suppliers under Item 8, lead times, and whether the franchisor takes a rebate on purchases. Note anything you are obliged to buy from the franchisor itself.

Technology and reporting

The point of sale and back office systems you are required to use, what they cost, and what you must report to the franchisor and how often.

Quality, audits and standards

Inspection regime, mystery shopping, the standards you are held to, and what happens when a unit falls short. Item 11 and the operating manual.

Marketing and Sales

Two budgets, not one. You contribute to the system fund and you are usually also required to spend locally, and only the second is something you control.

What the system provides

National or regional advertising funded by the fund you pay into, plus the creative, templates and campaign calendar you get access to. Item 11.

Required local spend

The minimum local marketing obligation in Item 6, as a percentage or an amount, and how the franchisor verifies it.

Your local plan

Grand opening, local partnerships, community sponsorship, local search and reviews, direct mail if the brand uses it. Specific activities with dates and costs, inside the obligation above.

Approval process

Most franchisors require pre-approval of local marketing. Say what the process is and how long it takes, because it affects campaign timing.

How you will measure it

The two or three numbers you will actually watch: covers, transactions, average ticket, new versus repeat. Tie them to the revenue assumptions in chapter 11.

Staffing Plan

Headcount, when each role starts and what it costs. The table carries this chapter; the text explains the assumptions behind it.

What a lender or franchisor is checking

That the payroll line in the financial projection equals this table. They are checked against each other.

Roles and hiring schedule

Fill in the table. One line per role, with the month it starts and the annual cost. Include yourself if you are drawing a salary, and mark it clearly if you are not.

Pay rates and the local labour market

What these roles actually pay in your area, not nationally. If you are competing with larger employers nearby, say how you will staff against them.

Turnover assumption

Most franchise categories run high turnover. State the rate you have assumed and make sure the recruitment and training cost in the financials reflects it.

Payroll taxes and benefits

The loaded cost, not just wages. A payroll line built on base pay alone understates the largest cost in the business by a meaningful margin.

Staffing and hiring plan

Role	Start month	Full or part time	Hourly or salary	Annual loaded cost

Role	Start month	Full or part time	Hourly or salary	Annual loaded cost

Loaded cost means wages plus payroll taxes and benefits. Mark your own line clearly if you are not drawing a salary in year one.

DOING THIS BY HAND?

Upmetrics takes this hiring table and drives the payroll line from it, loaded costs included, so the staffing plan and the financial plan cannot disagree with each other.

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Financial Plan

Two tables and the assumptions behind them. Build this chapter from your own numbers, cross-checked against the Item 7 range and anything Item 19 permits, and state every assumption you make.

What a lender or franchisor is checking

The royalty and ad fund lines, the payroll line against chapter 10, and whether the revenue build is arithmetic or assertion. These three checks account for most declined franchise applications.

Initial investment and use of funds

Fill in the investment table. Put the FDD Item 7 low and high beside your own budget line by line. Where you sit outside the range, explain why rather than leaving the reader to notice.

Working capital and the ramp

How many months of operating costs you are holding, and what happens if revenue ramps slower than planned. Undercapitalised ramp is the most common way a sound franchise unit fails.

Revenue assumptions

Build the revenue line from units: transactions per day, average ticket, days open, seasonality. Show the arithmetic. A revenue figure with no build behind it is the first thing a lender challenges.

Cost of sales and gross margin

Your cost of goods by category and the margin it leaves. Compare it against what validation calls suggested and note any gap.

Royalty and advertising fund

These get their own lines in the projection, calculated on the correct base from chapter 3. Do not fold them into general overheads; your reader wants to see them.

Five-year projection

Fill in the summary table. Attach full monthly statements for at least the first two years, or build them in a financial model and reference it here.

Break-even and debt service

The month the unit covers its operating costs, the month it covers debt service too, and the coverage ratio each year. A lender will calculate this whether or not you provide it.

Initial investment and use of funds

Item	FDD Item 7 low	FDD Item 7 high	Your budget	Funded by

Item	FDD Item 7 low	FDD Item 7 high	Your budget	Funded by

Put your own figure beside the disclosed range line by line. Where you sit outside it, explain why in the text above.

Five-year summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Cost of sales					
Gross profit					
Payroll					
Royalty					
Advertising fund					
Other operating costs					
Net profit					
Closing cash					
Debt service coverage					

Royalty and advertising fund are separate lines on purpose. A lender wants to see them rather than find them inside overheads.

DOING THIS BY HAND?

This is the chapter people rebuild from scratch every time an assumption moves. Upmetrics builds the profit and loss, the cash flow and the balance sheet from your assumptions, keeps the three in step, and works out break-even and debt service coverage for you.

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Funding Request and Exit

What you are asking for and what happens at the end. Short and precise. Vagueness in this chapter reads as uncertainty about the whole plan.

What a lender or franchisor is checking

That the amount requested, the use of funds table and the opening balance sheet all state the same number.

The request

Amount, term, structure and what it is for, tied line by line to the use of funds table in chapter 11.

Your injection and its source

How much of your own money is going in and where it came from. Savings, a retirement rollover, a home equity line, a partner. Lenders verify this.

Collateral and guarantees

What secures the loan and who is guaranteeing it personally.

SBA or other programme eligibility

If you are pursuing an SBA loan, ask your lender early how they assess franchise eligibility and affiliation for this brand, and what documentation the franchisor must provide. This treatment has changed in recent years, so confirm the current position with the lender rather than relying on older guidance.

Exit and succession

How you would sell the unit, what Item 17 requires on transfer, and what happens to the business if you cannot run it. Lenders financing beyond five years ask this.
