

# FRANCHISE OWNERSHIP GUIDE

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From  
Marketing to  
Operations



**neighborly**<sup>®</sup>  
your hub for home services<sup>™</sup>

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## Franchise Ownership Guide: From Marketing to Operations

There are many franchise options out there, and with Neighborly® you're getting a comprehensive business plan and resources to start you on the path to success from day one as well as the support of a Franchise Business Coach to help you grow and reach your goals.

# What is Franchising?

A franchise is a business model in which a company (referred to as a franchisor) gives other parties (franchisees) the right to use its trademark to sell goods or services according to its terms. The legal contract for this arrangement is usually called a [franchise agreement](#).

The franchisee may benefit from the company's established business systems, recognized brand, training programs, and other support. These benefits are typically given in exchange for an initial investment, a franchise fee, and a set percentage of ongoing sales revenue (royalties).

The Neighborly family of brands is positioned in the growing and lucrative home services industry. Our brands are well known and many have home-based options. When compared to other franchise options, our franchise brands require relatively low franchise fees and equipment needed to get started. The overall cost of start-up varies by brand.

If you have ever thought about working for yourself, owning a business, or scaling your current home services business, you should consider Neighborly. With 19 North American franchise brands, you have options to find the home services brand that is right for your lifestyle and the goals you have for your professional future.

## Related content:

- [Start A New Franchise Or Convert Your Business](#)
- [Franchising Statistics](#)



# How Does Franchising Work?

Franchising is designed to make business ownership more accessible because the initial investment of time, money, and effort are generally less than starting a business from scratch. After all, it's much easier to get started growing and scaling a business when it is a known, reputable brand than it is to explain an unknown brand to customers who want to know they are hiring reputable help for their needed service.



So, how does franchising work? Franchisees are independent, locally owned and operated businesses. The franchisee may benefit from the company's established systems and other support.

Neighborly brands make franchising less painful for first-time business owners and seasoned pros alike. From our vendor discounts to established systems and extensive training programs, we help our owners get started on their path to realizing their dreams.

## Related content:

- [How Does Franchising Really Work?](#)
- [What Degree Do I Need To Own A Business?](#)
- [How Do Franchise Agreements Work?](#)

# Is Owning a Franchise Worth It?

Franchise ownership offers freedom, flexibility, and the opportunity to control your financial destiny. Unlike independent entrepreneurs and standalone business owners, franchisees have the benefit of backing and support from a proven, national brand from day one.

When you're in charge of your own business, you can set your schedule, make staffing decisions, advertise and market to your community, and run day-to-day operations. Minimize the guesswork and uncertainty that comes with standalone business ownership.

As the world's largest home services company with many franchise brands, Neighborly has more than 5,000 franchises with 19 North American brands.

## Related content:

- [Are Franchises a Good Investment? Get the Facts](#)
- [Career vs. Business Ownership: Which is More Secure?](#)
- [Franchising 101: Owning Your Own Business vs Working a Job](#)
- [What is Franchise Ownership Really Like?](#)
- [Is Entrepreneurial Experience Needed for Franchising?](#)
- [How To Find Your Dream Job As A Franchise Owner](#)
- [A Look Inside Franchising: Franchise Owners Are Small Business Owners Too](#)
- [Five Signs You're Ready To Start Your Own Business](#)
- [Diversify Your Financial Portfolio With Franchise Ownership](#)
- [6 Reasons You Should Start A Business](#)
- [Midlife Career Change? The Realities And Rewards Of Buying A Franchise At 40+](#)
- [Is Business Ownership Right For You? Try Our 4-Step Exercise](#)
- [Can Franchising Give You More Family Time?](#)



## On-Demand Webinar:

### Stop Chasing Two Rabbits: Is Business Ownership Right for You?

Learn to use a simple but powerful framework to help you with your decision process in business and in life, and move past the analysis paralysis stopping you from achieving the results you seek.

# The Benefits of Owning a Franchise

When it comes to considering owning a franchise, it's important to weigh your options and take the variety of benefits into consideration. From the support you receive to the work/life balance gained in the process, these benefits can have an impact on both your professional and personal life.

- [Hit The Ground Running – Advantages Of Franchising](#)
- [4 Fears Of Starting Your Own Business And How To Overcome Them](#)

## Managed Risk

- [What Are the Pros and Cons of Franchising?](#)
- [Franchising 101: Owning Your Own Business vs Working a Job](#)
- [Something to Call Your Own: Franchise Ownership vs Self Employment](#)

## Franchising Support

- [What Finance Options are Available to Fund My Franchise Business?](#)
- [Training & Support | Benefits of Franchising with Neighborly](#)
- [Financial Literacy: The Stepping Stone to Success](#)

## Marketing Resources, Employee Training, Recruiting, and More

- [Marketing with Neighborly](#)
- [Franchise Marketing: The Benefits of a National Brand](#)

## Proprietary Technologies

- [Are Franchises A Good Investment? Here Are the Facts](#)

## Brand Recognition

- [What Are the Pros and Cons of Franchising?](#)
- [Finding Strength In Numbers, Joining A Family Of Brands](#)

## Buying Power with Preferred Vendors

- [How Neighborly Vendors Help Owners Save Time And Resources](#)

## Better Work-Life Balance

- [What Are The Pros And Cons Of Franchising?](#)
- [VIDEO: Experts Speak To Franchising vs. Independent Biz Ownership](#)
- [3 Best Franchise Opportunities to Own](#)
- [What Matters Most To Employees: Workplace Trends](#)
- [Achieve The Perfect Work-Life Balance With Franchising](#)
- [How To Leave Your Corporate Job And Spend More Time With Family](#)



### On-Demand Webinar:

## How Franchising Can Bridge the Gap Between Business Ownership and Success

It's often difficult to see a clear path to success when thinking about owning a business. Viewers will learn the benefits of franchise ownership and how it can turn the dream of business ownership into reality.

# Why Choose Franchising?

When choosing to start a business, you have many options available to you. Consider investing in a franchise which offers a higher degree of stability and support from day one both from a marketing and operational standpoint.

- [Why Choose Franchising to Take Control of Your Future](#)
- [Buying a Franchise: Can I Still Be Independent as a Franchisee?](#)
- [How To Be Your Own Boss By Owning A Franchise](#)

## What Are the Risks Involved With Franchising?

Few things in life are more rewarding than owning your own business and the flexibility, financial freedom and professional opportunities ownership offers make starting a franchise an attractive prospect. While there are many benefits to starting a franchise, nothing worth pursuing is without risk, and business ownership is no different.



- [What are the Pros and Cons of Franchising?](#)
- [Safety of the Home Service Franchise Industry](#)
- [4 Reasons Why Home Services Franchising Is A Recession-Resilient Industry](#)

# Home Services Franchises to Consider

When you find an opportunity and industry that really suits you, franchising can be rewarding in both the short and long term. If you're interested in the home services industry — from house cleaning to HVAC to landscaping — connect with us at Neighborly. As a franchise business owner of one of our national award-winning brands, you'll maintain independence and flexibility while having access to ongoing training and support.

Neighborly is proud to give aspiring and existing business owners the chance to stand out in competitive industries and build the lives — and the legacies — they've always wanted.

## Related content:

- [What Are the Types of Home Services Franchises at Neighborly?](#)
- [Home Service Franchises: Starting An Essential Small Business](#)
- [5 Key Questions To Consider Before Starting A Home Service Business](#)
- [Why The Home Services Industry Remains Recession-Resilient](#)



## Handyman Franchise:

- [Start a Franchise with Mr. Handyman®](#)
- [How To Start A Handyman Business](#)



## HVAC Franchise:

- [Start a Franchise with Aire Serv®](#)
- [How To Start An HVAC Business](#)



## Plumbing Franchise:

- [Start a Franchise with Mr. Rooter Plumbing®](#)
- [How To Become A Plumber](#)



## Property Management Franchise:

- [Start a Franchise with Real Property Management](#)
- [How To Start A Property Management Business](#)

On-Demand Webinar:

### The Hidden Opportunity: Home Services Franchise Ownership for Real Estate Professionals

What if there was a way to leverage your professional real estate industry experience, enhance your earning potential, and diversify your income streams to weather and prosper in any economy? There is, through franchise ownership. In this webinar, you will learn about how owning a home service franchise can be the ticket to achieving your personal and professional goals this year, and beyond.



## Landscaping Franchise:

- [Start a Franchise with The Grounds Guys®](#)
- [How To Start A Landscaping Business: A 4-Step Guide](#)



## Cleaning Business Franchises:

- [Start a Franchise with Dryer Vent Wizard®](#)
- [House Cleaning Franchise Opportunities | Molly Maid Franchise](#)
- [Investing In Dryer Vent Cleaning](#)
- [Dusting Off Your Dreams: Why A Residential Cleaning Business Is A Smart Investment](#)



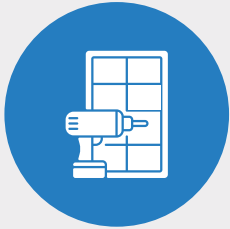
## Home Improvement Franchise:

- [Start a Franchise with ShelfGenie®](#)
- [5 Reasons To Start This Custom Home Storage Solutions Business](#)



## Window Cleaning Franchise:

- [Start a Franchise with Window Genie®](#)
- [How To Start A Window Cleaning Business With Multiple Revenue Streams](#)



## Glass Replacement Franchise:

- [Start a Franchise with Glass Doctor®](#)
- [4 Benefits Of Owning An Auto Glass Repair Business](#)



## Garage Door Franchise:

- [Start a Franchise with Precision Door Service](#)
- [Planning A Garage Door Franchise Investment: 3 Things To Consider](#)



## Painting Franchise:

- [Start a Franchise with Five Star Painting®](#)
- [Starting A Painting Business: Beginner's Guide](#)



## Appliance Repair Franchise:

- [Start a Franchise with Mr. Appliance®](#)
- [Is Appliance Repair A Good Business To Start?](#)



## Home Inspection Franchise:

- [Start a Franchise with HouseMaster®](#)



## Restoration Franchise:

- [Start a Franchise with Rainbow Restoration®](#)
- [How To Start A Restoration Business](#)
- [How To Start A Carpet Cleaning Business - Go With A Franchise](#)



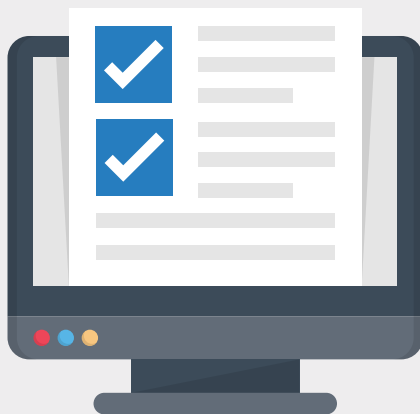
## Pest Control Franchise:

- [Start a Franchise with Mosquito Joe®](#)
- [5 Reasons Why Starting A Seasonal Franchise Is A Smart Decision](#)



## Electrical Franchise:

- [Start a Franchise with Mr. Electric®](#)
- [How To Start An Electrical Business: The Electrician's Guide](#)



## Can't choose?

Give us 10 minutes for a short, 12-question quiz.

# Understanding Franchise Costs & Fees Involved

Buying a franchise is a significant financial investment, but unlike starting a business from scratch, there is relatively less risk to “learning through your wallet.” The franchisor can help you estimate the costs required to get your business up and running. These may include things like the investment price for the franchise, a building or office space, supplies, employees, working capital, and opening inventory (if selling a product).

A reputable franchisor will help you estimate how much working capital you’ll need so that you don’t run out of money before your business starts to turn a profit. It’s also important to decide in advance how you will finance your business before you start shopping for a franchise.

Initial franchise cost varies significantly depending on the brand, industry, and territory. A majority of Neighborly home services franchise brands have an estimated initial investment under \$200,000, which is lower than many other franchise categories. Along with the initial costs of starting a franchise, there is the ongoing license or royalty fee and other fees to factor in as well. A variety of financing options are available, and a Franchise Developer can help provide a better understanding of how these work and what to expect.



## Related content:

- [Costs of Starting A Franchise | Neighborly](#)
- [Five Key Things to Know About Franchising | Sales](#)
- [Dispelling The Myth That Rising Interest Rates Are A Good Reason To Hold Off On Investing In A Franchise](#)
- [4 Lower-Cost Franchise Opportunities To Invest](#)

## What are the Financing Options for Owning a Franchise?

Being your own boss and securing the funding you need isn't always out of reach. Here are some options for financing a franchise, but keep in mind that each franchisor may have a more specific list of acceptable financing options.



# 7 Ways To Fund Your Franchise

1

## Self Capitalized

Some franchisees choose to launch their business from existing funds they accumulated from a savings account, money market account, inheritance, or from the sale of another business.

[Something To Call Your Own: Franchise Ownership Vs Self Employment](#)

2

## Commercial Bank Loans

This type of loan gives you the money upfront, and you pay it back monthly (with interest) over time. Talk to your personal financial institution about this option. Lenders are more likely to approve loans for franchises than for new, independent small businesses. This is because franchises usually carry less risk, as they likely have proven business models and brand recognition.



3

## Small Business Administration (SBA) Loans

SBA loans operate similarly to commercial bank loans but with lower interest rates and longer repayment timelines because the [U.S. Small Business Administration](#) guarantees a portion of the loan amount.

[Money Matters: The Best Small Business Loans](#)



4

## Alternative Lenders

Loans from alternative lenders operate like commercial bank loans, but they include some additional terms that will cost you. These loans may be smaller and have shorter repayment periods. Many small business owners pursue alternative franchise funding if they're unable to secure a traditional loan. Check out this list of reputable alternative lenders at [Business News Daily](#).



5

## Investment Account Rollovers

Rollovers as Business Startups (ROBS) is an often overlooked option for franchise funding. If you have an inactive IRA or 401K, you could roll it over to fund your business. This option for financing a franchise is typically used in conjunction with an SBA loan.

# 6

## Franchisor Financing

Ask the company you are working with to acquire your franchise if they offer tailored financing plans for new franchisees. They might do this through a lender partnership or with capital from the company itself. This can make the startup process smoother for a franchisee because financing plans from the franchisor will account for the franchise fee and accurate funds for items like equipment.

# 7

## Friends-and-Family Loans

You and your lender (a family member or friend you know and trust) can decide on the loan terms. Just make sure you create a contract. The terms should ideally include a lower interest rate and longer payback period than a commercial bank loan.

Here are some more ideas on how to fund your dream franchise:

- [3 Point Checklist for Starting a Franchise Business](#)
- [Investing in Your Future Part 4: Financing Your Property Management Franchise](#)



**On-Demand Webinar:**

**Financing a Franchise 101: What You Need to Know**

If you have ever been curious about going into business for yourself as a franchise owner, you've inevitably thought about money: how much you need to get started, how you will fund your operations, and what types of funding sources might be available to finance your business. In this webinar, franchising finance experts from three top firms will share what options are available to you to fund your franchise ownership dreams.

# 3 Ways to Open Your Own Franchise

Where do you want to operate? Is it where you live currently or where you want to move to?

Do you own a business that you want to scale through leveraging a well-known service brand?

Are you looking to take over an established territory in the franchise of your choice?

If you have any of these questions, you have come to the right place! Visit our [Territory Finder](#) to help you find out where you can:

1

Open a New  
Franchise  
Location

2

Convert an Existing  
Industry Related Home  
Service Business

3

Established  
Franchise  
Locations for Sale

## Related Content:

- [14 Questions To Ask When Evaluating A Franchise](#)
- [Franchising Territory: Finding The Best Place To Start A Business](#)



## Why Work with Neighborly

There are many franchise options out there, and with Neighborly you're getting a comprehensive business plan and resources to start you on the path to success from day one as well as the support of a Franchise Business Coach to help you grow and reach your goals.

Neighborly's franchise brands are dedicated to helping prospective or current business owners find the franchise that can help them achieve their goals while providing needed services in our communities.

## Visit the Following Topics to Learn More

10 Ways Neighborly® Helps Set Up Franchise Owners for Success

What Are the Types of Home Services Franchises at Neighborly

10 Tips for Evaluating Franchise Opportunities Like a Pro

Diversity in Franchising - How Neighborly Makes Franchising Accessible

3 Business Benefits of Owning a Neighborly Brand

How to Find Your Dream Job as a Franchise Owner

4 Ways Franchise Ownership Helps Meet Personal Goals

Welcome To The Neighborhood: The Strength Of Being Part Of A Franchise And The Neighborly Network



## Become a part of the Neighborly family of home service brands.

Realize your dream of owning your own business by taking those first bold steps toward franchise ownership – steps that can put you on the path to success.