

Leo Wisniewski  
Livin' The Dream

Phone (877) 389-0434  
Email: [esource@wisfamily.com](mailto:esource@wisfamily.com)  
Web: [www.MyDreamBiz.net](http://www.MyDreamBiz.net)

---

# Business Validation

---

# Guidebook

"Nothing will ever be attempted if all possible objections must first be overcome." Samuel Johnson

## Table of Contents

<b>Welcome</b> .....	5
The Validation Process .....	5
Franchise Regulation .....	6
Earnings Claims .....	6
Franchise Disclosure Document (FDD) .....	7
Online Franchise Resources .....	7
Franchisees .....	8
Struggling Franchisees .....	9
Income Questions .....	10
<b>Step 1 - Demand / Competitive Differentiation</b> .....	11
Target Customer .....	11
Checkpoint - Target Customer .....	12
Competitive Differentiation .....	13
Checkpoint - Competitive Differentiation .....	13
Step 1 Checkpoint – Demand / Competition .....	14
<b>Step 2 – Ownership Fit</b> .....	15
Decision-making - Facts Versus Assumptions .....	15
Bell Curve of Performance .....	16
Step 2 Checkpoint – Ownership Fit .....	17
<b>Step 3 – Soundness of the Business</b> .....	18
Financial/Accounting Advisors .....	20
Financial Analysis - Income Needs Analysis .....	20
Financial Analysis - Pro Forma Business Plan .....	21
Financing Your Business .....	24
Financing Sources .....	26
Franchise Financing Resources .....	28
<b>Overall Validation Checkpoint</b> .....	32
<b>Start Up Preparation</b> .....	33
Incorporation / TIN .....	33
Corporate Bank Account / Credit Card .....	34
Financing .....	34
Franchise Agreement .....	34
Startup Materials .....	35
Training .....	35
Bookkeeping .....	35
Business Insurance .....	35
Health Insurance .....	35
Real Estate .....	36
Marketing Plan .....	37
Networking .....	37
Recruiting .....	37
Office .....	38

<b>Appendix</b> .....	39
Franchise Disclosure Document (FDD) .....	39
Franchisor Questions.....	43
Franchisee Questions.....	47
Franchising Terms .....	50