Article Side

What are Your Franchise Funding Options?

by Daisy Brian

Article published on March 27th 2012 | Business

You' ve done all the legwork and have determined that a franchise you have found is the golden key to your future happiness and security. You' ve weighed the good and bad market conditions, found a perfect location, interviewed other franchise owners and you can't wait to sign the contract and get started. The only thing between you and your future dream is-money. How do you acquire your franchise funding? Usually, investing in your own franchise is fairly affordable but thousands may just as well be millions if you don't have either.

Franchise Funding Possibilities

Selling your firstborn is not an option; neither is raising capital by selling your blood to a blood bank a viable method. There are several possibilities for getting the start-up money you' ll need that keep you legal and sane. Listed below are some of those funding sources:

>> The Canadian Government - The government is very keen on helping entrepreneurs begin new businesses. This attitude also extends to those wanting to buy into a franchise. Because new business expands the economic health of the nation, government loans and grants are available. Most have good terms and are reasonably easy in their qualification requirements.

>> Banks, Lending Institutions - Some banks are reluctant to lend novices going into a business for the first time. Other lenders see successful franchises as more of a good investment. Check by phone with area lenders to get a feel for how they approach the franchise lending option before expending too much shoe leather to visit them in person.

>> Friends or Relatives - If you have a large network of friends or family members who have access to funds, talk to them about getting franchise funding. Borrowing from a large group can be tricky. Don't overextend yourself by promising quick pay backs. They need to understand that it can take a fair amount of time before you begin seeing decent profits.

>> Private Individuals-Venture capitalists, Angel investors or private individuals seek out business opportunities in which to invest. One drawback is that they may want to own part of the business in exchange for their franchise funding. Be careful, if you want complete control of your franchise, this may not be your best option.

Taking out an equity loan on your home, financing from your own retirement account or cashing in an insurance policy are other options. Using your own financing is, if possible, always your best option. You tend to keep more of your friends and relatives who will claim you that way.

One word of caution: When pursuing franchise funding, it is always in your best interests to have more than you require for the franchise alone. Most businesses fail for lack of funds to keep them going to the point where they are consistently profitable. Rainy-day capital will get you through seasonal ups and downs until your business is carrying you into the realm of total financial independence.

Article Source:
http://www.articleside.com/business-articles/what-are-your-franchise-funding-options.htm - Article Side

Daisy Brian - About Author:
The primary purpose of CFO is to help educate prospective franchisees as to the key ingredients needed in a successful franchise business.For more details on a franchise funding than please visit our website.

Article Keywords:
franchise funding

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!