

Franchise Agreements and Initial Training Associated Costs

Article by: Lance Winslow

In modern-day franchising most all franchisors do not pay for the costs for the franchisee to get to the franchisors training facility. Some franchisors have a package deal for a hotel, however very few pay any other costs. The franchise agreements should address the associated costs with initial training and travel to and from. It is for this reason that I devised this clause to go into our franchise agreements for our franchise company;

3.6.2 Associated Costs

Franchisee agrees to pay any and all fees, charges, travel, living and other expenses and compensation which may be incurred by Franchisee and/or another designee in connection with this initial training program.

If Franchisee cannot attain legal entry into the United States to attend their required initial training program, Franchisee must submit for Franchisor's approval Franchisee's proposed initial training program. This proposal must include the location(s) of the training, the duration of training at each location (in days or hours), the topics covered and the amount of time spent on each topic (in hours) and the training fees and terms for payment of the fees to be paid at the training location(s). This initial training program must cover all aspects of the operation of the Franchise, equipment operation, financial controls, marketing techniques, car wash service methods, deployment of labor and maintenance of quality standards. If Franchisee's proposed initial training program is not approved in its original form Franchisee must modify it and resubmit a new training proposal. If Franchisee does not submit a proposal that meets with Franchisor approval, the franchise will be terminated.

Indeed, our franchise company is relatively simple and so is the training to teach people how to do our business model. Yet, it is still important to address these issues and it is recommended that each franchise in company get with a franchise attorney to best devise a strategy to legally protect them from potential liability of a franchisee who claims that the franchisor did not tell them all of these costs. Consider this in 2006.Lance Winslow - Online Think Tank forum board. If you have innovative thoughts and unique perspectives, come think with Lance; www.WorldThinkTank.net/wttbbs/