

Lengthy Franchise Agreements and Disclosure Documents; Why?

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Most franchise buyers complain about the lengthy franchise agreements and disclosure documents. Of course there are two reasons for this;

- 1.) There is over regulation in the Franchising Industry, which requires this and;
- 2.) There is so much litigation, over lawyering and case law that a franchisor must protect them selves. Nevertheless nearly all franchise buyers say; "These Lengthy Franchise Agreements and Disclosure Documents; Why?

Yes well they are too long and most franchise agreements do go to extreme in the terms of lengthness, however consider that if they remain vague then the franchisee loses more. Contracts which refer everything back to the confidential operations manual, which many times the franchisee hasn't yet seen at the time of the agreement are vague and the more which is actually spelled out in advance in the actual agreement is better for the franchisee. In my opinion not worse off, as it gives the franchisee/buyer more chance to read into the document. Since the franchise agreements are in plain English, which is good and fair, the more that is spelled out the better thus making it more lengthy.

The Franchise Disclosure Documents should be a 3-page form that you hand to the franchise buyer with the actual franchise agreement, that would reduce the number of pages of the disclosure documents by way over two-thirds. Consider this in 2006 to help consumers. Lance Winslow - Online Think Tank forum board. If you have innovative thoughts and unique perspectives, come think with Lance; www.WorldThinkTank.net/wttbbs/