Franchise Business Plan Requirements: What Franchisors Ask For Before Approval

By Bright Quill Team

Franchise business plan requirements catch a lot of good applicants by surprise. You'd think a proven brand would make approval easy, and in some ways it does, but the franchisor still needs proof that you can run this business in your town, with your money, and your team. That's what franchise business plan requirements really are: a check that the person matches the brand, not just that the brand is strong.

Think of it this way. The franchisor is lending you its name, its systems, and its reputation in your area. If your outlet struggles, customers blame the brand, not just you. So the review is thorough, and it's fair. This guide walks through each part a franchisor usually asks for, so you can build your plan once and build it right. If you'd like help shaping your own numbers and story, our business plan writing service builds franchise plans around real local figures.

1. Start With What the Franchisor Actually Reviews

Most franchisors start with you, not with the market. They want to see who you are, what you've run before, and why this brand fits your skills. A short personal summary works best here. Say what you've managed, how many people you've led, and one thing that went wrong and what you learned. Honesty lands better than polish here. A franchisor has seen plenty of glossy summaries, and a plain account of real experience stands out.

Next comes your reason for picking this franchise. Don't write that you love the product. Every applicant says that. Write why this town, why this location, and why now. Mention the gap you spotted: a busy shopping strip with no outlet of this kind, a suburb growing fast, or customers travelling across town for the same service. That kind of detail shows you've looked at the ground, not just the brochure. If your location is still open, say so plainly and explain how you'll pick it, with help from the franchisor territory rules.

2. Your Money Story Has to Be Complete

Money is where most franchise applications stall, so give this section real care. A franchisor wants three things: what you own, what you owe, and what cash you'll put into the business yourself. List your savings, your property equity if you plan to use it, and any loan you've already discussed with a bank. Then list your debts honestly, including cards and car loans. Reviewers check these figures, so a tidy story that hides a debt will hurt you more than an honest one.

Then show the full startup cost, beyond the franchise fee. The fee is only one line. Add fit out, equipment, opening stock, licences, insurance, training costs, and a cash buffer for the first months. Many new owners forget the buffer, the line franchisors look for first. A plan with no buffer says the owner expects profit from week one, and no honest reviewer believes

that. If you'd like a second pair of eyes on this section, our franchise business plan help starts with your real figures and builds the funding table from them.

3. The Territory and Market Section

Your territory section answers one question: will enough customers come through this door? Start with the area itself. How many people live nearby, who are they, and what do they already spend on this kind of product or service? You don't need fancy research here. Council population figures, foot traffic you counted yourself, and a walk around competing shops all count, and say where each figure came from.

Then name your competitors by name and by place. A franchisor will check this section against its own knowledge of the area, so vague lines about strong demand won't pass. Write down the nearest three or four rivals, what they charge, and what you'd do differently. Maybe you open longer hours, serve a nearby office crowd at lunch, or offer a service they skip. End with a plain sentence about who your first customers will be and how you'll reach them in the first 90 days.

4. Your Team and Your Running Plan

A franchisor also wants to know who runs the shop when you aren't there. Name your key roles: manager, senior staff, and anyone handling stock or accounts. You don't need every hire lined up before approval, but you need a hiring plan with wages, hours, and training time. If a family member will work in the business, say so and give their role and experience too. Reviewers like seeing a real team, not a one person show.

Then walk through a normal week in plain steps. Opening hours, delivery days, stock counts, cleaning, and who handles complaints. It tells the franchisor how the brand standards will hold up on a tired Tuesday night as well as on opening day. Mention how you'll follow the franchisor training and audit routines, and how you'll report sales and stock as the system requires. A clear week beats a grand vision every time.

5. The Numbers Franchisors Check First

Franchisors read forecasts with a sceptical eye. They've seen hundreds of plans where sales climb smoothly from month one. Your forecast should start slow, show the ramp up honestly, and separate sales from cash. A month can look profitable on paper while cash runs short, because stock is paid for before customers pay you. Show monthly figures for the first year, alongside yearly totals, so the reviewer can see the tight months.

Keep your assumptions on one page where anyone can check them. Price per sale, sales per day, wage rates, rent, and supplier costs all belong there, each with a short note on where the figure came from. If a figure is a guess, label it as your estimate and say what would change it. The chart below shows an illustrative startup cost mix, so you can see how the fee sits beside fit out, stock, and a cash buffer. Swap in your own real numbers before you send anything. If the totals don't tie, fix them first, because a reviewer who spots one

wrong total stops trusting the rest.

Chart: Illustrative startup cost mix: 100,000 dollars in total. Illustrative figures only. Replace them with your own real numbers.

6. Common Reasons Franchisors Say Not Yet

A refusal is often fixable. The most common reason is a funding gap: the applicant has the fee but not the fit out and buffer. Next comes a weak territory case, where the plan claims demand but names no competitors and no customer counts. Then there is the thin team problem, where one person plans to do every job with no backup. Each of these can be fixed with more detail, more cash, or a stronger hire, and franchisors often invite a revised plan.

Before you send your plan, run this short check. Read the summary out loud and ask a friend who doesn't know the brand three questions: what do you sell, who buys it, and how does the business pay its way? If they can't answer all three, rewrite the summary until they can. Check that names, amounts, and dates match everywhere they appear. Then gather only the papers you can explain, and talk through the draft with us through the contact page before it goes in.

A franchise plan isn't a sales pitch for the brand. The brand already sells itself. Your plan is proof that you can carry that brand in your town, with money you actually have, a team you can name, and numbers that tie. Build it that way and approval becomes a conversation, not a gamble. If you'd like help, our business plan writing service can shape your franchise plan around your town, your team, and your real figures, and you can ask for a free quote through the contact page.