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| Vol. XVI, Issue 1 Welcome to this fall issue of **Franchisor Pipeline**®. This newsletter supplements our website: [www.FranchisorPipeline.com](http://www.FranchisorPipeline.com).In the sections that follow, we provide you with new insights and developments related to the buying and selling of franchisors.In our **FranLight**® section below, the spotlight is on John Goldasich, Partner, with the investment banking firm, Arlington Capital Advisors.In our **FranPost**® section below, learn about the key recent developments that have taken place in “THE Marketplace for Buying and Selling Franchisors,” including:• New listings of franchisors at [**Franchisors4Sale**](http://www.franchisorpipeline.com/franchisors4sale/)®• New press releases and articles at [**Franchisor Equity News**](http://www.franchisorpipeline.com/news/franchisor-equity-news/)®• New private equity ownership and listings at [**FranVestors**](http://www.franchisorpipeline.com/franvestors/)®• New publically-held franchisors at [**Franchisor Folio**](http://www.franchisorpipeline.com/stocks/franchisor-folio/)®• New suppliers to franchisors at [**Brets-List**](http://www.franchisorpipeline.com/brets-list/brets-list/)®• New blogs at [**SellBuyBlog**](http://www.franchisorpipeline.com/blog/sellbuyblog/)®If you have a franchisor for sale – or a franchisor looking for an investor – please contact me confidentially to obtain a free and anonymous listing, or to learn more about our website.We hope that you enjoy this newsletter.***Bret Lowell***Founder, Franchisor Pipeline703-773-4242 (o)202-365-0965 (m)bret@FranchisorPipeline.com |
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| https://gallery.mailchimp.com/a36e000381a512f50f78552ec/images/ed7c0541-b384-458b-98de-275a8a5bba7a.jpg | **Getting Your House In Order** An important blog -- about what franchisors should expect when they begin the sales process -- was recently added to [SellBuyBlog](http://www.franchisorpipeline.com/blog/sellbuyblog/)®.  This interview with John Goldasich, of Arlington Capital Advisors provides important insights for those owners of franchisors who are interested in selling or finding investors.  The interview questions presented, and a few highlights, follow: |

**The competition for Franchisor deals seems to be getting more intense lately, what power to sellers bring to the transaction?**For well-performing franchisors, this is a seller's market. But even with that dynamic, sellers should hire an experienced M&A advisor who knows the franchise landscape, knows who the buyers are, and knows how to drive the most favorable terms for the franchisor.**Where should Franchisors start when they are thinking of selling?**  The main thing we educate our clients on is that buyers of franchisors are attracted to the royalty based revenue model and the high cash flow margins that are produced by that royalty base; therefore, the health of that recurring revenue stream is most important to a buyer.**What makes a standout seller?**  Providing visibility into franchisee health is critically important. We recommend that all emerging franchisors provide a fully disclosed Item 19. Item 19 is the section in the FDD that addresses franchisee profitability.**If red flags do pop up in a process, what should sellers avoid doing if they don't want to make things worse?**  Working with a good advisor that has seen red flags pop up before, and worked through similar issues in the past, can help mitigate red flags considerably. This is also why we advise emerging franchisors to develop and maintain relationships with highly qualified accounting, legal, consulting and M&A practitioners as the business grows.**When sellers are thinking about an exit strategy, what's realistic? How do you find the right audience?**It really depends on the seller's objectives. If a seller wants full liquidity, such as looking to retire, then the M&A advisor will look at marketing the business to a strategic acquirer or will pursue a dual track process with strategic bidders and private equity bidders terms and bringing a range of documents together for signing at the closing.  |

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| Key developments in the franchisor marketplace were recently reported on [**Franchisor Pipeline**](http://www.franchisorpipeline.com/)**®**.  Please visit: ®* [**Franchisors4Sale**](http://www.franchisorpipeline.com/franchisors4sale/)**®** for these seller additions:
	+ Frozen Dessert Franchisor
	+ Decorating Franchisor
	+ Restoration Franchisor
	+ Photography Franchisor
	+ Retail Franchisor
* [**Franchisor Equity News**](http://www.franchisorpipeline.com/news/franchisor-equity-news/)**®** for these news additions:
	+ **Bento Files 4 IPO**
	+ **Max Brenner Sold To Zees**
	+ **PizzaRev Gets $**
	+ **LEON Gets Investor**
* [**FranVestors**](http://www.franchisorpipeline.com/franvestors/)**®** for these private equity additions:
	+ **The Halifax Group**, which now owns Pirtek
	+ **TPG,** which now owns Club Pilates
	+ **Levine Leichtman Capital Partners**, which owns Mountain Mike's
	+ **Argosy Private Equity**, which now owns Rita's
* [**Brets-List**](http://www.franchisorpipeline.com/brets-list/brets-list/)**®** for these supplier additions:
	+ **Yodle**, under Advertising
	+ **SMB Advisers**, under Franchise Consultants
	+ **FranConnect**, under Software
	+ **Franchise Architects**, under *Franchise Consultants*
* [**Franchisor Folio**](http://www.franchisorpipeline.com/stocks/franchisor-folio/)® for these new publicly-held listings:
	+ **Bento**
	+ **Burger King, Popeye’s**
	+ **Freshii**

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