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By using this template you accept these terms. Good luck with your plan!

Franchise Business Plan Template

For a franchisee opening one franchised unit

Business name: []

Franchise system: []

Owners: []

Location: []

FDD issuance date: []

Date: []

Version: []

Template version 1, October 2026, by Let's Talk Business Plans.

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How to use this template

- Replace every [bracketed field]. Delete the grey guidance and every shaded box before you send the plan.
- Every number comes from your FDD, your own quotes or your own research. This template supplies none.
- Start with the crosswalk after the contents. Then fill the worksheets: territory (3.1), opening timeline (5.2), ongoing fees (5.4), calls with franchisees (5.5), initial investment as sources and uses (8.1), the revenue basis (8.2) and the debt-service check (8.4).
- Build the full projections in the free Excel workbook, then copy the summary figures into section 8: letstalkbusinessplans.com/posts/excel-business-plan-templates-free-download. Section 8.3 lists what the workbook does not do for a franchise.
- The sections follow the [SBA's traditional plan sections](https://letstalkbusinessplans.com/posts/pdf-business-plan-templates-free-download), with franchise worksheets added. For a business that is not a franchise, use the letstalkbusinessplans.com/posts/pdf-business-plan-templates-free-download.

Where the numbers come from

This template quotes the FTC Franchise Rule (16 CFR part 436, as read on eCFR on October 23, 2026) only to show where each item is in your FDD. It gives no revenue, fee, royalty or investment figures, and it is not legal advice. Your FDD's cover page says to show your contract and the disclosure document to an advisor, like a lawyer or an accountant.

Scope note

For buying a franchise. Not for franchising your own business, and not a franchise agreement. If you are buying an existing outlet from its owner, the franchisor may give you that outlet's actual records (Item 19); use them in section 8.

Some franchise sales are exempt from the rule (16 CFR 436.8); if you were not given an FDD, ask a franchise attorney why.

Known limitations of this template

- No built-in calculations: Word has none. The arithmetic is laid out for you; the Excel workbook does the 5-year model.
- No revenue, fee, royalty or investment figures are supplied. Your FDD and your own research supply them. Item 19 is optional for franchisors, so your FDD may give none.
- The one example is a made-up count of outlets. It contains no money and is not a forecast.
- Not a franchise agreement or an FDD. State franchise laws and franchisor plans or pitch decks are not covered.
- The rule is quoted as read on eCFR on October 23, 2026. Rules change: check the current text.
- The Excel workbook has one variable-fee line, one loan, and its own definition of sales (section 8.3).
- This template makes no statement about whether any brand qualifies for SBA financing.
- Checked in LibreOffice only. It has not been opened in Microsoft Word.
- Not legal, tax, accounting or lending advice.

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One-page summary

Fill this in last, from the sections that follow. Keep it to one page.

Item	Your answer
Franchise system and business type (Item 1)	[]
Location, and territory status (Item 12; section 3.1)	[]
Owners, and who runs the unit (Item 15; section 4)	[]
Target opening date (Item 11; section 5.2)	[]
Total investment: your figure, and the Item 7 range it falls in (section 8.1)	[] / [] to []
Funding sources: owner, lender, franchisor financing, other (section 7)	[] / [] / [] / []
Revenue basis: whether Item 19 is used, and your own evidence (section 8.2)	[]
Debt-service check result (section 8.4)	[]

FDD-to-plan crosswalk

How to fill this in (delete before sending)

Every FDD has the same Items in the same order. The rule says “Respond fully to each disclosure Item” and “If a disclosure Item is not applicable, respond negatively”, so this table works for any franchise (16 CFR 436.6(c)).

Names are word for word from 16 CFR 436.5. Tick Done when you have copied the row's content from your FDD.

Where the numbers come from

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Cover page and Items 1 to 23

FDD Item (name as in the rule)	What it must disclose (short, from 16 CFR 436.5)	Where it goes in this plan	What you copy	Done
Cover page	The title “FRANCHISE DISCLOSURE DOCUMENT”, the Item 7 total and the Item 5 amount (16 CFR 436.3(a), (e) (1)).	The page before section 1 (the one-page summary)	The Item 7 total, the Item 5 amount and the issuance date.	☐
Item 1: The Franchisor, and any Parents, Predecessors, and Affiliates	(a)(6)(iv) “The general market for the product or service the franchisee will offer.” (a)(6)(vi) “A general description of the competition.” (a)(6)(v) laws or regulations specific to the industry, in general terms.	Sections 2, 3.2 and 5.6	Franchisor name and affiliates; the FDD's market and competition descriptions; its industry-laws summary.	☐
Item 2: Business Experience	(b) “by name and position the franchisor's directors, trustees, general partners, principal officers”, and others with management responsibility.	Sections 10 and 9	Names to research. Nothing goes in the plan from this Item.	☐
Item 3: Litigation	The rule sets what goes under this heading. Read it in your FDD.	Sections 10 and 9	Whether your attorney has reviewed it, and when.	☐
Item 4: Bankruptcy	The rule sets what goes under this heading. Read it in your FDD.	Sections 10 and 9	Whether your attorney has reviewed it, and when.	☐
Item 5: Initial Fees	(e) “Disclose the initial fees and any conditions under which these fees are refundable.”	Sections 7 and 8.1	Each initial fee and its refund conditions, from your FDD.	☐
Item 6: Other Fees	(f) “all other fees that the franchisee must pay to the franchisor or its affiliates”, in a table: type of fee, amount, due date, remarks.	Sections 5.4 and 8.3	Every row of the table, and how your FDD defines the base for any percentage fee.	☐
Item 7: Estimated Initial Investment	(g) the table titled “YOUR ESTIMATED INITIAL INVESTMENT”; amounts may be “a low-high range based on the franchisor's current experience”.	Section 8.1	Each row's low and high, whom it is paid to, and whether it is refundable.	☐
Item 8: Restrictions on Sources of Products and Services	(h) the franchisee's “obligations to purchase or lease goods, services, supplies, fixtures, equipment, inventory” from the franchisor, its designee or suppliers the franchisor approves, or to its specifications.	Sections 5.3 and 8.3	Required purchases and who you must buy from.	☐
Item 9: Franchisee's Obligations	(i) “a list of the franchisee's principal obligations”, in a table.	Section 5.3	The main obligations, as a short list.	☐

FDD Item (name as in the rule)	What it must disclose (short, from 16 CFR 436.5)	Where it goes in this plan	What you copy	Done
Item 10: Financing	(j)(1) "the terms of each financing arrangement, including leases and installment contracts": what it covers, the lender, the amount, the annual rate, the number of payments.	Sections 7 and 8.1	Each arrangement's terms, as a franchisor-financing source row.	☐
Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training	(k)(2) "the typical length of time between the earlier of the signing of the franchise agreement or the first payment of consideration for the franchise and the opening of the franchisee's business"; also pre-opening assistance, advertising, computer systems and the training program.	Sections 5.2, 4 (training) and 6	The length of time and its factors; the training table; what the advertising fund covers.	☐
Item 12: Territory	(l)(5) "Whether the franchisor grants an exclusive territory." Also whether the location is specific or one the franchisor must still approve, any minimum territory and other channels.	Section 3.1	Each point as your FDD states it, and the exclusive-territory sentence.	☐
Item 13: Trademarks	The rule sets what goes under this heading. Read it in your FDD.	Section 2 (one line)	The marks you will operate under.	☐
Item 14: Patents, Copyrights, and Proprietary Information	The rule sets what goes under this heading. Read it in your FDD.	Section 2 (one line)	Anything you must keep confidential, as one line.	☐
Item 15: Obligation to Participate in the Actual Operation of the Franchise Business	(o)(1) "the franchisee's obligation to participate personally in the direct operation of the franchisee's business and whether the franchisor recommends participation".	Section 4	Who must run the unit, and who supervises on the premises.	☐
Item 16: Restrictions on What the Franchisee May Sell	(p) "franchisor-imposed restrictions or conditions on the goods or services that the franchisee may sell".	Sections 2 and 5.3	What you must and may sell.	☐
Item 17: Renewal, Termination, Transfer, and Dispute Resolution	(q) "a table that cross-references each enumerated franchise relationship item with the applicable provision in the franchise or related agreement".	Sections 9 and 7	Compare the franchise term with your loan term. Ask your lender and attorney. This template states no rule.	☐
Item 18: Public Figures	(r)(1) "Any compensation or other benefit given or promised to a public figure".	Section 10	Whether any public figure is named.	☐
Item 19: Financial Performance Representations	(s)(1) the rule "permits a franchisor to provide information about the actual or potential financial performance". If it provides none, the FDD says so.	Section 8.2	Which case applies. Any data is the franchisor's disclosure, not your forecast.	☐
Item 20: Outlets and Franchisee Information	(t)(4) "the names of all current franchisees and the address and telephone number of each of their outlets", and outlet tables.	Sections 3.3 and 5.5	Your state's rows of the tables; the contact lists. Store no one's details in the plan.	☐
Item 21: Financial Statements	(u)(1)(i) "The franchisor's balance sheet for the previous two fiscal year-ends before the disclosure document issuance date."	Sections 10 and 9	Ask your accountant to review it.	☐
Item 22: Contracts	(v) "a copy of all proposed agreements regarding the franchise offering, including the franchise agreement and any lease, options, and purchase agreements".	Section 10	Attorney review of every agreement attached.	☐
Item 23: Receipts	(w) "two copies of the following detachable acknowledgment of receipt".	Section 10	The date you received the FDD.	☐

1. Executive summary

How to fill this in (delete before sending)

Write this section last, in one page. Say which unit you are opening, in which system, where, when, what you are asking for and what your revenue is based on.

The SBA describes the funding request as: "Specify whether you want debt or equity, the terms you'd like applied, and the length of time your request will cover." ([SBA](#))

Questions to answer in this section:

- Which franchise system, and why this one?
 - Where will the unit be, and when will it open?
 - How much funding is needed, and where will it come from?
 - What is your revenue estimate based on?
-
- The unit: [business name] will operate one [franchise system] franchised unit at [location], with a target opening date of [date] (section 5.2).
 - Territory: [specific location or area; exclusive or not, in your FDD's words] (section 3.1).
 - Funding request: [amount] for [uses from Item 7] (section 7), from [sources].
 - Revenue basis: [Item 19 used / not used], with your own evidence from [local research and franchisee calls] (section 8.2).

2. Company description

How to fill this in (delete before sending)

Give the facts a reader checks first: who owns the unit, its legal form, which franchise system it joins and what it will sell.

From your FDD: Item 1 (the franchisor and its affiliates), Item 13 (trademarks), Item 14 (one line only) and Item 16 (what you may sell).

Questions to answer in this section:

- What is the legal form of the business that signs the franchise agreement?
- Who owns it, and who runs it day to day?

Legal name and structure: [sole proprietor / LLC / corporation / partnership]. Owner(s): [name, share].

Franchise system: [name]. Franchisor and affiliates (Item 1): []. Marks you will operate under (Item 13): [].

What you will sell, and what you may not (Item 16): [].

Start date: [month, year]. Agreement signed: [date, or planned].

3. Market analysis and territory

How to fill this in (delete before sending)

Describe the customers in your territory and the competitors near it, from your own research. Say where each figure comes from and the date.

This template supplies no market-size, sales or customer-count figure. Use a figure only if you can name its source.

Questions to answer in this section:

- Who are your customers, and how do you know they are there?
- Which other outlets of the same system, and which competing brands, are near your location?

3.1 Territory (Item 12)

How to fill this in (delete before sending)

Copy each point from Item 12 of your FDD in its own words. If the territory is not exclusive, the rule has the FDD say so: "You will not receive an exclusive territory." (16 CFR 436.5(l)(5)(i)).

This template supplies no territory size.

Point in Item 12	As your FDD states it
Is the franchise for a specific location, or for a location the franchisor still has to approve?	[]
Minimum territory granted (as your FDD describes it)	[]
Exclusive or not (copy your FDD's sentence)	[]
Conditions to keep the territory	[]
Other channels the franchisor reserves: Internet, catalog, telemarketing, other direct sales	[]
Relocation and additional-unit rights	[]

3.2 Local market

Customers in your territory: [who; how you counted them; source and date].

Demand evidence from your own research: [source and date].

Yours: the outlets and brands near you

Competitor (other outlets of the same system, and competing brands)	Where	What it offers	Your research: source and date
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

The FDD's own description of the general market and the competition (Item 1): [copy the key points].

3.3 The system in your state (Item 20 tables 3 and 5)

How to fill this in (delete before sending)

Item 20 of your FDD has a table of the status of franchised outlets, by state, for three years. Copy your state's rows. Add up the columns for the outlets that left franchisee hands or closed, and write the start and end counts as the table gives them.

Ask the franchisor and the franchisees you call about any changes you see. These counts are not a forecast for your unit.

Yours: your state's rows of Item 20 Table 3 (Status of Franchised Outlets)

Fiscal year (from your FDD)	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
[]	[]	[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]	[]	[]

Yours: Item 20 Table 5 (Projected Openings), your state's row

Fiscal year (from your FDD)	Franchise Agreements Signed But Outlet Not Opened	Your notes
[]	[]	[]
[]	[]	[]

Example — replace with your numbers. A hypothetical franchise system with made-up outlet counts in a made-up state. No number here is typical, a brand's figure or a forecast.

Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
40	6	1	1	1	2	41

Example — replace with your numbers: $40 + 6 - 1 - 1 - 1 - 2 = 41$.

Example — replace with your numbers: In this made-up row, 5 of the 40 outlets open at the start of the year left franchisee hands or closed ($1 + 1 + 1 + 2$). The table does not say why. Ask the franchisor, and call former franchisees from the Item 20 list.

4. Organization and management

How to fill this in (delete before sending)

Show who runs the unit and who covers when that person is out. Item 15 of your FDD says whether you must participate personally in the direct operation of the business, and whether the franchisor only recommends it.

Item 11 has a training table. The rule has it say "Who may and who must attend training." and "Any charges franchisees must pay for training and who must pay travel and living expenses of the training program enrollees." (16 CFR 436.5(k)(7)).

Planned hires feed the Excel workbook's Payroll section: role, annual salary and start month.

Questions to answer in this section:

- Who will run the unit day to day, and what have they done before?
- Who must attend the franchisor's training, and when?

Person or role	What they do	Item 15: personal participation required or recommended?	Experience
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

Yours: the franchisor's training

Training required (Item 11 training table)	Who must attend	When it must be completed	Charges and travel
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

Planned hires (feeds the Excel workbook: Assumptions, Payroll)

Planned hire (role)	Number	Annual salary per person	Start month	Notes
[]	[]	[amount]	[month]	[]
[]	[]	[amount]	[month]	[]
[]	[]	[amount]	[month]	[]
[]	[]	[amount]	[month]	[]

Advisers: [attorney], [accountant], [lender contact], [insurance agent].

5. Operations

How to fill this in (delete before sending)

Describe the site, how the opening will run, what you buy and from whom, what you pay the franchisor on an ongoing basis, whom you will call before you sign, and the licenses you need.

Then fill the worksheets: site (5.1), opening timeline (5.2), products, suppliers and obligations (5.3), ongoing fees (5.4), calls with franchisees (5.5) and licenses and permits (5.6).

Questions to answer in this section:

- What does the franchisor do before you open, and what must you do yourself?
- What do you pay the franchisor and others each month and year?

5.1 Site

Item 11 says what help the franchisor gives with the site. The rule has it include "The time limit for the franchisor to locate or approve or disapprove the site and the consequences if the franchisor and franchisee cannot agree on a site." (16 CFR 436.5(k)(1)(i)(D)).

Item	Your answer
Site chosen by you or by the franchisor	[]
Franchisor's time limit to locate, or to decide on, the site (Item 11)	[]
What happens if you and the franchisor cannot agree on a site (Item 11)	[]
Lease status: owned, leased, offer to lease, searching	[]
Build-out needed, and who manages it	[]

5.2 Opening timeline

How to fill this in (delete before sending)

Item 11 must give “the typical length of time between the earlier of the signing of the franchise agreement or the first payment of consideration for the franchise and the opening of the franchisee's business” and the factors that may affect it (16 CFR 436.5(k)(2)). Copy your FDD's figure below. This template supplies no duration.

The franchisor must give you the FDD “at least 14 calendar-days before the prospective franchisee signs a binding agreement with, or makes any payment to, the franchisor or an affiliate in connection with the proposed franchise sale” (16 CFR 436.2(a)). That is the franchisor's duty. Use the date as a line in your schedule.

Step	Who	Depends on	Target date	Status
FDD received (date on your receipt)	Franchisor	[]	[]	[]
Earliest date to sign or pay (14 calendar-days after receipt)	You	[]	[]	[]
Attorney and accountant review	You	[]	[]	[]
Franchise agreement signed	You / franchisor	[]	[]	[]
Financing in place	Lender	[]	[]	[]
Site confirmed	Franchisor / you	[]	[]	[]
Lease signed	Landlord / you	[]	[]	[]
Permits	City / you	[]	[]	[]
Construction or build-out	Contractor / you	[]	[]	[]
Equipment, fixtures and signs	Franchisor / you	[]	[]	[]
Training completed	Franchisor / you	[]	[]	[]
Opening	You	[]	[]	[]

Your FDD's length of time between signing (or first payment) and opening, copied from Item 11: [].

Factors the rule lists that may affect that time. Tick the ones your FDD names, and add a date or note for each that applies to you.

- ☐ Ability to obtain a lease: []
- ☐ Ability to obtain financing: []
- ☐ Building permits: []
- ☐ Zoning and local ordinances: []
- ☐ Weather conditions: []
- ☐ Shortages: []
- ☐ Delayed installation of equipment, fixtures and signs: []

5.3 Products, suppliers and obligations

Item 8 lists what you must buy or lease from the franchisor, its designee or suppliers the franchisor approves, or to its specifications. Item 16 lists what you may and may not sell. Item 9 lists your main obligations.

What you must buy or lease (Item 8)	From whom (franchisor, its designee, a named supplier, your choice within its specifications)	Your quote (supplier, date)	Workbook line
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

What you must sell, may sell and may not sell (Item 16): [].

Your main obligations (Item 9), as a short list: [].

5.4 Ongoing fees (Item 6) as plan rows

Where the numbers come from

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How to fill this in (delete before sending)

If your FDD charges a fee as a percentage, copy how it defines the base. It may not match what you call sales.

The rule lets a franchisor use a percentage of gross sales “if the franchisor defines the term”. Copy that definition into the Base column.

Leave every amount blank until you copy it from your FDD. This template supplies no fee.

Yours: Item 6, the OTHER FEES table

Type of fee	Amount or formula (from your FDD)	Due date	Remarks (refundable? uniform?)	Base (copy your FDD's definition of gross sales or other base)	How it enters your projections (fixed per month / percent of sales / per event)	Workbook cell (B93, B94, B85, B89 or by hand)
Royalties	[]	[]	[]	[]	[]	[]
Advertising	[]	[]	[]	[]	[]	[]
Advertising cooperatives	[]	[]	[]	[]	[]	[]
Purchasing cooperatives	[]	[]	[]	[]	[]	[]
Additional training or assistance	[]	[]	[]	[]	[]	[]
Audits	[]	[]	[]	[]	[]	[]
Accounting	[]	[]	[]	[]	[]	[]
Inventory	[]	[]	[]	[]	[]	[]
Transfers	[]	[]	[]	[]	[]	[]
Renewals	[]	[]	[]	[]	[]	[]
Lease negotiations	[]	[]	[]	[]	[]	[]
Construction	[]	[]	[]	[]	[]	[]
Remodeling	[]	[]	[]	[]	[]	[]
[other fee]	[]	[]	[]	[]	[]	[]
[other fee]	[]	[]	[]	[]	[]	[]
[other fee]	[]	[]	[]	[]	[]	[]

5.5 Calls with existing and former franchisees (Item 20)

Before you call

Item 20 of your FDD lists current franchisees and their outlet phone numbers, and contacts for franchisees who left in the last fiscal year. Some may have signed confidentiality clauses; your FDD says so if they did. The rule has the FDD say: "You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you." (16 CFR 436.5(t)(7)).

What a franchisee tells you is their experience, not a forecast for your unit. Keep their names and numbers in your own files, not in a plan you send out.

Questions to ask. These are your questions, not facts.

- How long did it take from signing to opening, and what delayed it?
- Did your initial investment fall inside the Item 7 range, and which rows ran over?
- Which Item 6 fees do you actually pay?
- What did the franchisor's training and opening support include?
- How do the required suppliers' prices compare with what you could find yourself?
- How did your first year's sales and costs compare with what you had planned?
- Has territory overlap been an issue?
- What would you do differently?
- For former franchisees: why did you leave?

Yours: call log

Date	Franchisee (current or former)	Outlet city and state	What they said	How it changes your plan
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]
[]	[]	[]	[]	[]

5.6 Licenses and permits

Rows only. Check with your city, county and state. Item 1 of your FDD summarizes, in general terms, the laws or regulations specific to the industry (16 CFR 436.5(a)(6)(v)). Treat that as a pointer, not a list.

License or permit	Issued by	Applied (date)	Status
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

6. Marketing and sales

How to fill this in (delete before sending)

Item 11 describes the franchisor's advertising program. Say what its advertising fund does and does not cover, then what you will do locally.

Questions to answer in this section:

- How will customers learn the unit has opened?
- What local marketing does your agreement require?

Grand opening plan: [].

What the franchisor's advertising fund covers, and what it does not (Item 11): [].

Your local marketing, and any local marketing the agreement requires (copy from your FDD): [].

7. Funding request

How to fill this in (delete before sending)

The SBA says: "Specify whether you want debt or equity, the terms you'd like applied, and the length of time your request will cover." ([SBA](#)) Use Items 5, 7 and 10 of your FDD.

Ask your lender what it requires. On October 23, 2026, the SBA's plan-your-business page (last modified October 19, 2026) said: "To see if any particular franchise is eligible for SBA financial assistance, you can search the SBA Franchise Directory." It also said: "Placement of a franchise brand in the Directory is not an endorsement or approval of the brand and does not ensure the success of the business." ([SBA](#)). This template says nothing about any brand.

Item 17 cross-references the agreement's term, renewal, termination and transfer provisions. Compare the franchise term with your loan term. Ask your lender and attorney.

Questions to answer in this section:

- Are you asking for debt, equity or both?
- Which Item 7 rows will the request pay for?

Source	Amount	Terms requested, or from Item 10 / the Item 7 footnote
Owner equity	[]	[]
Lender loan	[]	[]
Franchisor financing (Item 10; Item 7 footnote)	[]	[]
Other	[]	[]
Total funding request	[]	[]

Use of funds, by Item 7 row: see section 8.1. Debt or equity: []. Length of time the request covers: [].

8. Financial projections

How to fill this in (delete before sending)

The SBA says to use quarterly or even monthly projections for the first year, and to "match them to your funding requests" ([SBA](#)).

Every figure on these pages comes from your FDD, your own quotes or your own research. Build the full projections in the Excel workbook and copy the summary here.

8.1 Initial investment: sources and uses (from Item 7)

Where the numbers come from

This template quotes the FTC Franchise Rule (16 CFR part 436, as read on eCFR on October 23, 2026) only to show where each item is in your FDD. It gives no revenue, fee, royalty or investment figures, and it is not legal advice. Your FDD's cover page says to show your contract and the disclosure document to an advisor, like a lawyer or an accountant.

The rows are the rule's own list for Item 7 (16 CFR 436.5(g)(1)). Copy the low and high from your FDD, enter your own figure with its basis, and say who funds each row. This template supplies no amount.

Yours: Item 7, YOUR ESTIMATED INITIAL INVESTMENT, as uses of funds

Item 7 row	FDD low	FDD high	Your figure	Basis (quote, lease, FDD, estimate)	Paid to whom	Refundable ?	Funded by	Workbook cell
A. The initial franchise fee	[]	[]	[]	[]	[]	[]	[]	B73
B. Training expenses	[]	[]	[]	[]	[]	[]	[]	B72
C. Real property, whether purchased or leased	[]	[]	[]	[]	[]	[]	[]	by hand
D. Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs	[]	[]	[]	[]	[]	[]	[]	B62, B63, B64
E. Inventory to begin operating	[]	[]	[]	[]	[]	[]	[]	B67
F. Security deposits, utility deposits, business licenses, and other prepaid expenses	[]	[]	[]	[]	[]	[]	[]	B68, B69
Other specific required payments, by name	[]	[]	[]	[]	[]	[]	[]	B73 or by hand
Additional funds— [your FDD's initial period]	[]	[]	[]	[]	[]	[]	[]	B74
Total	[]	[]	[]					

Rows Item 7 does not cover

Item 7 covers the franchisor's estimate for opening and an initial period. Ask your accountant and lender what else to include, such as your own living costs while the unit ramps up and any loan fees.

Extra row you add (not in Item 7)	Your figure	Basis	Funded by
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

Yours: sources of funds

Sources of funds	Amount	Terms
Owner equity	[]	[]
Lender loan	[]	[]
Franchisor financing (Item 10)	[]	[]
Other	[]	[]
Total sources	[]	
Total uses (from the tables above)	[]	
Total sources – total uses	[]	Enter zero or more. A negative number means the plan is short.

8.2 Revenue basis

Item 19: which case are you in?

"The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document." (16 CFR 436.5(s)(1)).

Item 19 is where your FDD says which case you are in. Tick one.

Revenue basis switch: tick one

- ☐ My FDD's Item 19 includes a financial performance representation
- ☐ My FDD's Item 19 says it makes none
- ☐ I am buying an existing outlet and have its actual records

If you ticked	What the rule says
Item 19 includes a representation	The FDD must include "A clear and conspicuous admonition that a new franchisee's individual financial results may differ from the result stated in the financial performance representation." (16 CFR 436.5(s)(3)(iv)). Treat what it discloses as the franchisor's disclosure, never as your forecast.
Item 19 says it makes none	The FDD must state: "We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets." (16 CFR 436.5(s)(2)). Your revenue then rests on your own evidence.
Buying an existing outlet	The rule lets a franchisor give "the actual records of an existing outlet you are considering buying" (16 CFR 436.5(s)(1)). Use them as that outlet's history, not as a forecast.

Yours: revenue drivers

Revenue driver (your own, as fits the business: customers per day, jobs per week, sale per customer)	Your figure	Source of the figure (your local research / franchisee calls, dated / the existing outlet's records / Item 19 data)	How you adjusted it for your location
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

Label this as your estimate. Do not present a system average or another outlet's results as your forecast.

Yours: Item 19 data, for copying only

What Item 19 discloses (if it does)	Copy from your FDD
Outlets included (all, or a subset)	[]
Dates the reported level was achieved	[]
How many outlets reached the figure	[]
How your location differs from the included outlets (characteristics that may differ materially)	[]

8.3 Projections bridge

Build the projections in the free Excel workbook (letstalkbusinessplans.com/posts/excel-business-plan-templates-free-download), then copy the summary here. Where it fits a franchise, and where it does not:

Plan item	Where it goes in the workbook
Item 7 rows (8.1)	Assumptions section 6, the cells in the Workbook cell column
Item 6 fees charged as a percentage of sales (5.4)	Marketing — % of sales (B93); Other variable costs, % of sales (B94)
Item 6 fixed monthly fees (5.4)	Software and subscriptions per month (B85) or Other fixed costs per month (B89)
Loan amount, rate and term; owner equity (7, 8.1)	B97, B98, B99; B100
P&L, cash and ratios	P&L tab; Cash Flow tab; Key Ratios: DSCR (B15), DSCR after owner draws (B16), lowest month-end cash in the year (B18)

What the workbook does not do for a franchise

The workbook has one variable cost line, Other variable costs, % of sales, so a royalty and other percentage fees must be added together by hand.

The workbook's sales are its own revenue total, not your franchise agreement's definition of gross sales.

It has no minimum-fee formula that changes over time.

It models one loan, fixed-rate, with level payments. Interest-only periods, variable rates, fees and lines of credit are not modelled, so franchisor financing from Item 10 is a second loan you handle by hand.

Pre-opening costs are counted in Startup & Funding, not in the P&L.

It has no receivables, payables or inventory timing.

8.4 Debt-service check

Fill the first two lines from your projection. Include every loan, franchisor financing among them.

Line	What goes here	Your figure
a	Annual loan payments, all loans including franchisor financing	[]
b	Cash available for debt service, from your projection	[]
c	Coverage = $b \div a$	[]

Ask your lender what coverage it looks for. This template states no minimum. The workbook's Key Ratios tab shows annual debt service (B14) and the coverage ratios (B15, B16).

9. Risks and what you'll do

How to fill this in (delete before sending)

For each risk, change the matching input in the Excel workbook or in 8.1 and note what happens to cash. Then write the reserve or action. No probabilities are needed.

Questions to answer in this section:

- What could delay the opening, raise the cost or lower sales, and how long could you cover the bills?

Risk	What to change or check	Effect on cash	Your plan (reserve or action)
A slower opening	Opening timeline (5.2); the Item 11 factors	[]	[]
Costs above your Item 7 figure	Sources and uses (8.1)	[]	[]
Sales below your estimate	Revenue basis (8.2)	[]	[]
A fee change your FDD allows	Ongoing fees (5.4); the Item 6 remarks	[]	[]
Territory overlap	Territory (3.1); Item 12	[]	[]
A supplier change	Products and suppliers (5.3); Item 8	[]	[]
The agreement's renewal or transfer terms	Item 17: ask your attorney	[]	[]
The franchisor's financial position	Item 21: ask your accountant	[]	[]

10. Appendix: due-diligence and dates checklist

Tick each line and write the date. Status columns only: this template supplies no date or duration.

- ☐ FDD received. Date: [] (your Item 23 receipt)
- ☐ Earliest date to sign or pay, 14 calendar-days after receipt (16 CFR 436.2(a)): []
- ☐ If the franchisor changed the agreement's terms on its own: the rule has it furnish each revised agreement "at least seven calendar-days before the prospective franchisee signs the revised agreement", and says "Changes to an agreement that arise out of negotiations initiated by the prospective franchisee do not trigger this seven calendar-day period." (16 CFR 436.2(b)). Date received: []
- ☐ Attorney review of the FDD and the Item 22 contracts. Date: []
- ☐ Accountant review of the Item 21 financial statements. Date: []
- ☐ Calls with current and former franchisees (5.5). Done: []
- ☐ Lender pre-qualification. Date: []
- ☐ State franchise laws: "There may also be laws on franchising in your state. Ask your state agencies about them." (16 CFR 436.3(e)(5)). Asked: []
- ☐ The FTC's "A Consumer's Guide to Buying a Franchise" is named on the FDD cover (16 CFR 436.3(e)(4)). Read: []

Sources, as read on October 23, 2026: the FTC Franchise Rule, 16 CFR 436.2, 436.3, 436.5, 436.6 and 436.8, in the eCFR (title 16, part 436), current as of October 21, 2026; and the SBA's Plan your business page (last modified October 19, 2026), linked where it is quoted. Rules and pages change. Check each again before you rely on it.