

Hamilton Pratt Question & Answer

Can I see the Manual before I sign the Franchise Agreement?



The manual is an extremely important document because it contains the huge majority of a franchisor's know how, technical information and experience. This does mean that a prospective franchisee will be able to tell a great deal about the value of the franchisor's "System" from the manual. Nevertheless, from a franchisor's point of view, because the manual contains all its valuable know how, there is a great deal of reluctance to allow a prospective franchisee to have access to the manual before that franchisee is fully committed, has paid the initial fee and entered into the franchise agreement.

How is this circle squared? Until recently it was not but now franchisors are increasingly allowing prospective franchisees to review the manual at the franchisor's premises. In other words a prospective franchisee cannot take the manual away but a franchisee should be allowed to make sure that it contains all of the sort of information that that franchisee was expecting. If a franchisor refuses to allow this then there may be good reasons, but it would be enough to make a prospective franchisee suspicious that maybe the contents of the manual is not as valuable as the franchisor has tried to suggest!

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