**Study Questions:**

1. The franchisor is the person who runs the main business that is being franchised, they set the rules and regulations in which the franchisee must operate his/her franchise. The franchisee is the person who is granted the rights to run a franchise store from the franchisor and must abide by the rules set by the franchisor.

2. Franchising can be considered a “path to entrepreneurship” because it lets you run your own business, it is well rooted and most likely has a following, and is more than likely going to be successful, but it comes with the challenges of managing people and resources and working through the issues that may and probably will pop up. This sets you up for much of the knowledge necessary to start a business of your very own.

4. The five components of the franchise relationship model are: the Customer, Market, Financials, Contract, and Information. This model is very interactive in nature; if any one part of the model changes – for example, if a contract is being renegotiated and might result in a changes financial agreement – the whole FRM must be reevaluated iteratively as everything else in the model has the potential to change.

**Mind Benders:**

3. I would choose a company to buy a franchise from in several different ways. I would look at the location in which I am interested in opening a company. I would look and see what companies are around, and whether there is a need for a specific good or service. If there is I would look at all of the franchises that offer a good or service that is similar to where the need is, and I would look at how successful each of the franchises were. I would look at how much it will cost me to start, and what kinds of rules and regulations I have to follow and would make an educated decision from that point forward based on the results of my findings.