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I'm Thinking About Buying A Home-Based Business, What Questions Should I Ask?

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A weekly question/answer column

I'm Thinking About Buying A Home-based Business, What Questions Should I Ask?

Karen Biers answers:*

If you're thinking about buying a home-based franchise or business, make sure you get all the facts. The following list is a guide for fact gathering:

- Study the disclosure document and proposed contract carefully.
- Talk with others; a list of references selected by the company is not a substitute for a list of franchises or business opportunity owners.
- Investigate claims about potential earnings. Be suspicious of any company that cannot substantiate its earnings, representations in writing.
- Shop around; compare franchises and other business opportunities.
- Listen carefully to the sales presentation. A seller with a good offer doesn't use high-pressure tactics such as "you need to sign today because prices will go up tomorrow." Under Federal Trade Commission (FTC) rules, most sellers must wait at least 10 business days after giving you the required documents before accepting your money or signature on an agreement.
- Get the seller's promises in writing. If a seller balks at putting oral promises in writing, this could be a sign of potential problems. The written contract is what counts.
- Consider getting legal advice.
- Study solicitations before making any agreements or before giving any money or merchandise to the solicitor.

If you have any questions or complaints regarding a business offer, contact the FTC headquarters at 202-326-2222, the Denver FTC regional office at 303-844-2271, or the Division of Consumer Protection of the Utah Department of Commerce at 1-800-721-7233 and ask for an investigator.

* Karen Biers, Utah State University Extension Entrepreneurship/Home-Based Business and Clothing/Textile Specialist