



WHY EVERY FRANCHISE SHOULD USE ELECTRONIC UFOC DISTRIBUTION

In today's world time is very important, if not everything. Time to prepare, time to market, time to close, time to roll out, and many other time related events can determine in great part whether a franchise venture is successful or yesterdays news. Franchises have been burdened, or perhaps mandated is a better choice of words, to comply with Uniform Franchise Offering Circular ("UFOC") law for 25+ years. During this 25+ year period the UFOC has changed dramatically, and the legal bodies controlling its function and purpose have also changed, but one thing has remained constant over these years, and that is UFOC's are expensive.

They are very expensive to create, super expensive to produce and distribute, and unbelievably costly to store and audit. UFOC's are one of the single greatest expenses new franchises face, and for the first time there is a cheaper and more effective way to do business. It is legal, it is safe, it is secure, it is encouraged and it will make an existing franchise more efficient and lower the barrier to entry for new franchisers. This revolutionary technology has only been around for 135 years, so it is about time the legislators let franchisers take advantage of the savings. What is this new technology you ask? It is electronic signature capturing, and New Hampshire was the first court system to rule on the validity of electronic signatures in 1869, it was in relation to the telegraph and signing for invoices for goods shipped by railway cars, but it was and is legal, so why not use it in other forms of business?

In the 1980's businesses and courts started to ask this same question, and voilà there was the fax machine. The fax machine got the proverbial electronic signature ball rolling again in business, but the Internet will take it to its rightful level of use in business. Practically everyone has access to the Internet now. Public libraries, schools, businesses and 100's of millions of homes have Internet connectivity available to them on demand. The fax machine was certainly prevalent, but it could never have the wide spread use and functionality that the Internet offers, and therefore the Internet is the best logical way to spread the use of electronic signatures.

Franchises may send their UFOC electronically to potential franchisees. They may do this by building internal delivery systems, or they may use external delivery services. The delivery method will depend on the size and nature of the franchise, but the purpose will be the same, cut costs and reduce time to close business. Any franchise that is not actively looking for an electronic UFOC delivery service is going to be left behind. Electronic delivery will shorten sales cycles by allowing franchises to start the 10 day waiting period immediately, and open up additional markets by reducing the cost of entry.

Franchisers that embrace electronic UFOC delivery will save money and time in multiple ways. Take a look at the following chart.

Costs Associated with a 150 Page Paper UFOC's

- (1) 150 + Ink + Paper + Wear and Tear on printer = \$3
- (2) Binding = \$1
- (3) Outbound Overnight Shipping = \$20
- (4) Inbound Overnight Shipping = \$20
- (5) 150 Pages 1 Year Storage Using Government Estimate = \$19
- (6) Labor @ 2 Hours for Total Process – Sending and Receiving = \$40
- (7) 2 Days Opportunity Time for Best Delivery Option = \$Unknown

Total Cost of Using Paper = (\$103.00)

Costs Associated With Paperless UFOC Using Electronic Signatures

- Labor @ 15 Minutes for Total Process = \$5
- Sending File Electronically = \$5
- Delivery Is Immediate = No Lost Opportunity Costs

Total Cost of a Paperless Transaction = (\$10)

Total Savings Using Electronic Signatures vs. Paper = \$93.00 per UFOC

The FTC has issued several Informal Staff Opinion Letters to electronic signature companies acknowledging that these services comply with the current FTC rules. [PrivaSign.com](http://privasign.com), located at <http://privasign.com/laws-cfr-ftc.asp> is one of the companies that received such an opinion letter, and additional companies may be found at the <http://www.ftc.gov> website. By utilizing an electronic signature and UFOC delivery service, like PrivaSign, franchisers will save hundreds and potentially even thousands of dollars a month delivering their UFOC's, and capturing new business.

Franchisers who are slow to adapt new electronic signature methods will undoubtedly lose business to the faster and more aggressive franchises. Speed and timely delivery of materials will allow technology savvy franchisers to approach and win more business. In today's franchise world prospects generally look at multiple franchisers before selecting which one is right for them. Therefore the franchiser who has the fastest response time, and the first chance to earn a potential franchisees business is more than likely going to win.

Electronic UFOC distribution combined with an efficient electronic signature capture service is the right choice for virtually every franchiser. Explore the market and try out different providers to discover which one is right for you. The cost savings, the time savings and the efficiency gained by using electronic signature technologies is worth the effort.

By:

Jason McKay

<https://blog.granted.com/>