

Cleaning Franchise Ownership — Workbook

This workbook turns the course into a decision. You will research a real territory, read an actual FDD, build your own unit-economics model and cash-flow ramp, and lay out a 90-day launch with operating KPIs. Work through it with a specific brand and territory in mind, not in the abstract, and you will finish with a defensible go or no-go decision plus the spreadsheets to run the business.

The Cleaning Franchise Landscape and Whether It Fits You

Choose your model, size a real territory, and shortlist brands using independent data and validation calls.

Exercise: Model-Fit Self-Assessment

Answer each prompt honestly about how you actually want to spend your days, then circle whether residential, commercial unit, commercial master, or restoration best matches. Capital and brand come second; fit comes first.

- Do you want to lead and manage cleaning crews, sell B2B contracts, or recruit and support other franchise owners? Explain in two sentences.

- What hours are acceptable for your life: daytime residential routes, nights and weekends for commercial, or 24-hour emergency restoration?

- How much cash can you commit all-in, and which model's Item 7 range does that realistically cover?

- Given your honest answers, which single model are you pursuing and why?

Worksheet: Territory Demand Sizing

Fill in real numbers for each target ZIP code from Census, ESRI, or SimplyAnalytics, plus a competitor count from Google Maps and Yelp. Compute qualified households per competitor to judge saturation.
Target ZIP codes

Total households in territory

Households above income threshold (specify threshold)

Number of direct competitors found

Qualified households per competitor

Commercial: count of offices, medical, retail, industrial sites

Saturation verdict (room to enter / crowded / saturated)

Worksheet: Brand Shortlist Comparison

Use the FDD and independent sources (Entrepreneur Franchise 500, FranchiseGrade) to fill one row per candidate brand. Compare like against like before talking to any sales team.

Brand name

Model (residential / commercial unit / master / restoration)

Item 7 total investment range

Item 6 royalty structure

Item 12 territory model (exclusive / non-exclusive)

Item 19 earnings claim present? (Y/N)

Item 20 turnover signal (low / moderate / high)

Checklist: Validation-Call Checklist

- Pull the Item 20 franchisee contact list from each shortlisted FDD
- Call at least 8 current franchisees and ask actual revenue versus the Item 19 claim
- Reach at least 2 former franchisees and ask why they left
- Ask every owner: would you buy this franchise again, and what surprised you?
- Search BBB, Glassdoor, and franchisee forums for recurring complaint patterns
- Collect 10 real price quotes from competitors in your target territory

Decoding the Franchise Disclosure Document

Read one real FDD as an investor: triage the 23 items, dissect the money items, and stress-test the earnings claim.

Checklist: 23-Item FDD Triage (Investor Read Order)

- Confirm you received the FDD and started the mandatory 14-day waiting period
- Read Item 19 first: is there any earnings claim, and is it revenue or profit?
- Read Items 5, 6, 7: initial fee, ongoing fees, total investment range
- Read Item 20: count openings, closures, transfers, terminations over 3 years
- Read Item 21: confirm the franchisor has positive net worth and is solvent
- Read Item 3: check litigation, especially franchisor-versus-franchisee suits
- Read Item 17: understand renewal, termination, transfer, and dispute terms
- Read Item 12: confirm territory exclusivity and any online or national-account carve-outs
- Read the franchise agreement attached in Item 22 with an attorney

Worksheet: Money-Items Extraction (Items 5, 6, 7)

Pull the exact figures from one brand's FDD into this sheet. Do not paraphrase from the brochure; copy the numbers from the disclosure items themselves.

Item 5 initial franchise fee

Item 5: refundable? veteran or multi-unit discount?

Item 6 royalty (percent of gross or flat monthly)

Item 6 brand or ad fund (percent)

Item 6 other recurring fees (technology, call center, etc.)

Item 7 total investment LOW

Item 7 total investment HIGH

Item 7 additional funds line (first 3 months)

Exercise: Item 19 Earnings-Claim Interrogation

If the brand publishes an Item 19, answer each question from the disclosure text and its footnotes. If there is no Item 19, write that down and note that salespeople legally cannot make earnings promises.

- Does the claim report revenue or actual owner profit? Quote the exact wording.

- Is the figure an average or a median, and what does the bottom quartile earn?

- What percentage of franchisees actually achieved the stated figure?

- Is the data from new units or mature units, and how recent is it?

Checklist: System-Health Red-Flag Scan (Items 20 and 21)

- Calculate turnover rate: units that left the system divided by total units
- Flag if terminations and ceased operations are high relative to system size
- Confirm net openings exceed closures over the last three years
- Check whether franchisor revenue depends on selling new units versus ongoing royalties
- Have an accountant confirm positive net worth and healthy operating cash flow in Item 21

Territory, Modeling Unit Economics, and Financing the Buy

Lock in territory terms, build your own P and L and 12-month cash-flow ramp, and assemble a fully-funded capital stack.

Worksheet: Territory Terms Negotiation Sheet

Record exactly what Item 12 grants, then list the specific changes you will request in writing before signing. Territory is one of the few negotiable terms.

How territory is defined (ZIP / radius / population / household count)

Exclusive or non-exclusive?

Franchisor right to sell via national accounts, e-commerce, or call center? (Y/N)

Performance quotas and consequence of missing them

Right of first refusal on adjacent territory? (Y/N)

Specific changes you will request before signing

Worksheet: Unit-Economics P and L Builder

Enter your target annual revenue and fill each line as a dollar amount and a percent of revenue. Labor plus franchise fees should reveal how little room is left, which is the point.

Target annual revenue

Direct cleaning labor (dollars and percent, aim 45-55%)

Supplies and equipment (dollars and percent)

Royalty (dollars and percent from Item 6)

Brand / ad fund (dollars and percent)

Vehicles, fuel, insurance, software, office (dollars and percent)

Owner pre-tax profit (dollars and percent)

Exercise: 12-Month Cash-Flow Ramp and Capital Need

Using the 12-Month Ramp template, project client growth from zero and find your cumulative cash low point. That low point, not the franchise fee, is the capital you must actually fund.

- How many new recurring clients can you realistically add per month, and what revenue does that produce?
- What is the deepest cumulative cash deficit (the low point) across the 12 months?
- Re-run the ramp at 60 percent of planned clients: how much deeper does the low point go?
- What total capital must you raise to fund the low point plus a 3-6 month buffer?

Checklist: Financing and Capitalization Checklist

- Total real capital need: Item 7 high end plus cumulative cash low point plus 3-6 month buffer
- Confirm the brand is on the SBA Franchise Directory
- Prepare lender package: business plan, unit-economics model, personal financial statement, FDD
- Compare terms from at least two SBA-preferred lenders
- Confirm your equity injection (typically 10-30%) is available in cash
- Keep a personal emergency reserve separate from business capital
- Engage a franchise attorney and a franchise-experienced accountant before signing

Launching and Operating to ROI

Run a 90-day launch, win and keep recurring clients, and operate the unit on five KPIs to a measured return.

Checklist: 90-Day Launch Checklist

- Form the LLC, obtain an EIN, and secure local business licenses
- Bind general liability, commercial auto, workers compensation, and a janitorial bond
- Open business banking and set up the franchisor's scheduling and payment software
- Complete franchisor initial training for you and your first lead cleaner
- Set pricing from the brand model plus your 10 competitor quotes; build estimate templates
- Recruit, background-check, and train your first crew with a small bench for no-shows
- Launch Google Business Profile and book the first paid cleans

Worksheet: Customer Acquisition Channel Plan

For each channel, set a monthly budget, a target number of new clients, and how you will measure cost per acquired client. Prioritize referral and local search, the cheapest converters.

Channel (Google Business / Local Services Ads / referral / neighbor density / B2B outreach)

Monthly budget

Target new clients per month

Cost per acquired client

Owner responsible and review date

Exercise: Retention and Churn-Control Design

Design the operating habits that keep recurring clients, since a two-year client is worth roughly four times a six-month one. Tie each answer to a concrete routine, not an intention.

- How will you assign consistent crews to the same homes to build familiarity?

- What is your exact follow-up cadence after the first clean and every fourth clean?

- How will you resolve a complaint within 24 hours, and is a free re-clean your default?

- What monthly churn target are you holding (e.g. under 5%), and how will you spot at-risk clients early?

Worksheet: Operating KPI Dashboard and ROI

Fill the five operating KPIs for the most recent period, then compute return on invested capital with your own labor priced in. Review weekly.

Labor cost percentage (target 45-55%)

Route density (jobs per cleaner per day)

Gross margin per job

Monthly client churn (target under 5%)

Cash position (weeks of operating expense on hand)

Total cash invested (fee + equipment + ramp working capital)

Mature annual owner profit after a market-rate wage for your own labor

Return on invested capital (profit / total invested) and payback period

Your Action Plan

1. Pick one model (residential, commercial unit, master, or restoration) using the model-fit self-assessment.
2. Size your real territory: pull household and income data and compute qualified households per competitor.
3. Shortlist three or four brands from independent sources and request their FDDs.
4. Triage each FDD in investor order, starting with Items 19, 5, 6, 7, 20, and 21.
5. Complete 8 or more validation calls, including former franchisees, before going further.
6. Build your own unit-economics P and L and a 12-month cash-flow ramp to find the cumulative cash low point.
7. Confirm the capital stack: SBA 7(a) feasibility, equity injection, and a 3-6 month buffer above the low point.
8. Negotiate territory terms and review the franchise agreement with a franchise attorney before signing.
9. Execute the 90-day launch: entity, insurance, training, pricing, first crew, and first paid cleans.
10. Stand up the KPI dashboard and review labor percentage, route density, churn, and ROI every week.

