

GUIDE TO

# Franchising 101





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# Your franchise ownership starts now

Welcome to “Guide to Franchising 101,” an ebook by Goosehead Insurance. Here, we focus on why the insurance industry can be a solid and lucrative investment. Whether you’re an entrepreneur seeking a rewarding career change or an accomplished businessperson looking to go to the next level, few paths offer the promise of financial stability, professional growth, and community impact, quite like franchising. It allows individuals to realize their business ownership goals, often with the support and backing of a well-established brand. Learn the benefits and what to look for in a business and gain insights to decide if franchising is right for you.

# The benefits of franchising

The franchise model has proven to be reliable because it provides entrepreneurs with a sense of stability, support, and guidance—a strategic option for those looking to mitigate the risks associated with starting or expanding a business. Through economic uncertainty like the pandemic, franchise owners were better equipped to survive than other small, independent businesses because of the support and resources provided by their franchisors.



Franchise success can be attributed to  
the following benefits:

1

Access to a Proven Business Model  
and Back-Office Support

2

The Ability to Scale

3

Determination and Confidence  
to Succeed

## 1

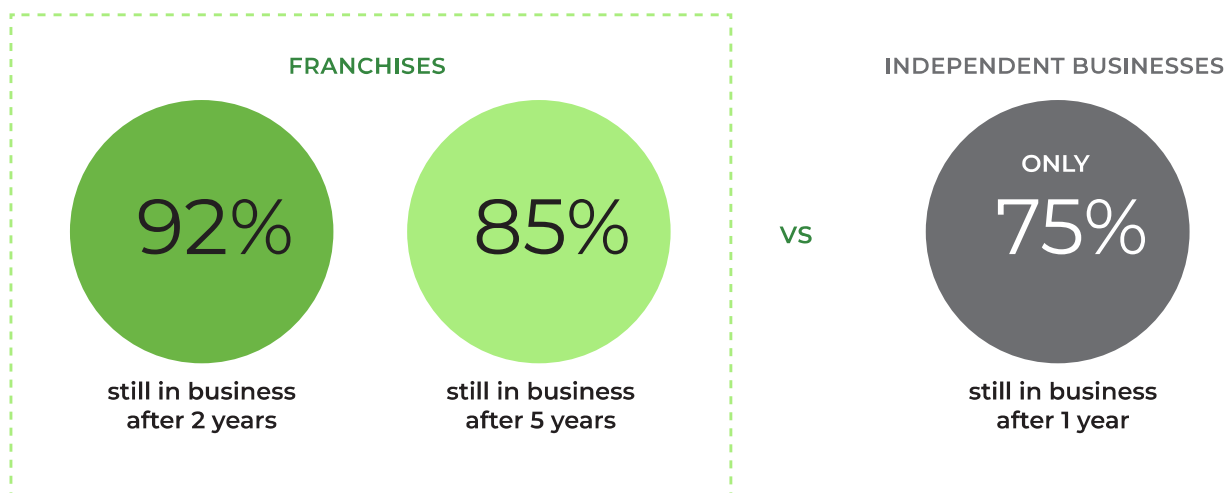
## Access to a Proven Business Model and Back-Office Support

**In a study conducted by FranNet, 92% of franchises were still in business after two years, while 85% were still operational after five.**

In contrast, only 75% of independent businesses were still operating after just one year.

The high percentage of success for franchises is because entrepreneurs are given a business model to follow that has been tested and refined over time. The corporate team (or franchisor) is invested in its franchise owners and is truly a partner in the experience.

**What goes into this business model?** Typically, the franchisor will equip entrepreneurs with a blueprint for business operations, marketing strategies, and product offerings. This blueprint coupled with extra services like comprehensive training, cutting-edge technology, and ongoing support helps franchisees operate to standard and save time and money.



1. <https://www.franchise.org/sites/default/files/2023-03/2023-Franchising-Economic-Report.pdf>



## 2

### The Ability to Scale

**The opportunity to add new franchise units to increase revenue means scalability is a possibility for many entrepreneurs.**

Further, with the franchisor's support and interest in long-term success, this can happen quicker than a small business.

While franchising in industries like insurance with lower startup costs means you can turn a profit quicker, organic growth over several years of dedication to your franchise could result in compound acceleration of 40-45% year over year.

The average amount an insurance franchise owner makes their first year

**\$76,000**

By year three, you may be able to make

**\$270,000<sup>2</sup>**

# 3

## Determination and the Confidence to Succeed

**Success is only possible if you want it.** A proven business model and scalability means little if you are not motivated to network, cold call, and attend industry events. Successful franchisees have a track record of high performance in other areas of their life. It helps to be marketing and sales savvy, but above all, integrity is what makes you right for the job.

Make sure a franchise aligns with your personal goals and values, like:



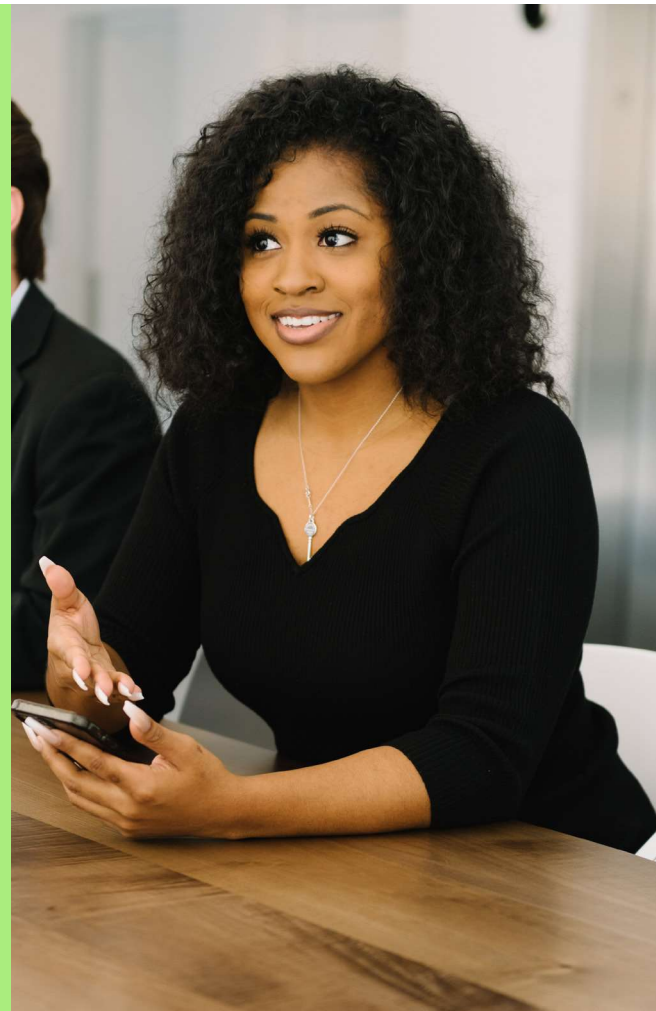
Work-life Balance



Income Ranges



Job Satisfaction





# Insurance: a scalable market with a proven model

**Insurance is recession-proof, meaning it remains stable and profitable, even during economic downturns.** Everyone you know needs insurance, so your potential customer base is all around you. But don't simply take our word for it—the proof is in the policy pudding.

The personal lines insurance market is an industry with enormous influence and potential, worth a staggering \$386 billion. Through weather events, job losses, and financial ups and downs, demand will remain high because customers will continuously seek the right coverage at the best price. Additionally, when an insurance policy is up for renewal, savvy customers tend to shop around. If agents can retain customers, renewal commissions can become a large source of income.

Being an insurance agent has withstood consumer buying patterns when other service and sales roles have become obsolete. Subscribing to a choice model that provides consumers with the best experience and the right coverage at the lowest price leads to more customer satisfaction. That, paired with candid advice and passionate service from agents, can simplify the shopping process and help consumers make smarter decisions that are better for their wallets.



# Real-world success stories

## Jeremy opened his business during the COVID-19 pandemic

**Jeremy found Goosehead Insurance when the Asset Management company he was working for got acquired and was headed for layoffs.**

Ready to be his own boss and gain stability, Jeremy was considering three other franchise opportunities before Goosehead. He liked the low cost to entry, high upside potential, and consistent investment by Goosehead into their franchise channel. However, the final push was when he called fifty agents around the country and got nothing but positive feedback. It was then he knew the opportunity was for him.

The speed with which Jeremy's agency has grown has surpassed his expectations, and his long-term goal is to be the largest agency in his state with the highest premium. With 17 years in a corporate environment, he's never seen a company invest so much in its workforce's success through providing resources and best practices in the interest of advancement. The role of the agent is not disappearing, and insurance companies like Goosehead understand this.

“ Invest in yourself. Don’t let lack of insurance knowledge be a barrier to you. If you can do the hard work to build your book, you will be in charge of your own future.”

— Jeremy’s advice to potential franchise owners





## Nick franchised and found success with no insurance background

**Before becoming a franchise owner, Nick was in entertainment and hospitality, but he wanted a career he could rely on.**

Seven years later, he's glad he made a change that allows him to be a business advisor that helps guard what matters most in his customers' lives.

Nick's goal is for his book to reach such high profitability that he can stop producing and focus on teaching others how to sell successfully. He is on track to achieve his goal because of his tenacity mixed with Goosehead's massive portfolio of carriers and speed of service.

“ The Goosehead model allows me to do one thing well—advise and sell. The ever-present quality control and service team helps me focus all of my time and attention on driving new leads.”

— Nick launched his insurance agency in 2016

# 6 reasons to start your own Goosehead franchise





## 1. Do only what you do best—sell

The Goosehead model is one that aims to maximize new sales through **fully managed carrier appointments**, helpful and time-saving technology to pinpoint referral partners, robust training and agent support, and a proven marketing strategy.

Goosehead's model handles the overwhelming back-office tasks like:



Policy  
Fulfillment



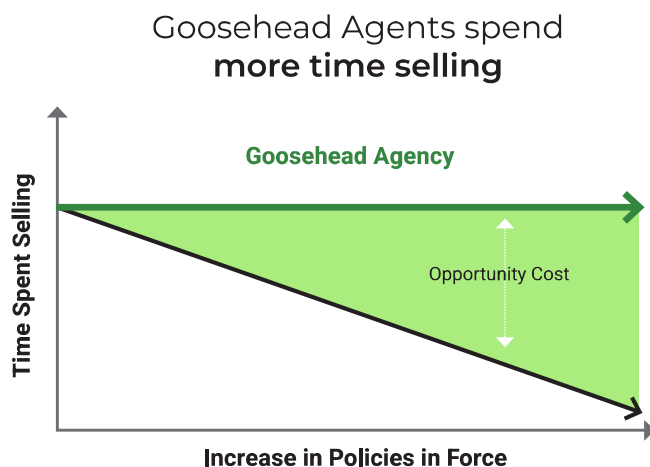
Service  
Calls



Finance and  
Accounting



Recruitment for  
Growth Planning



When you're an independent agent not affiliated with a franchisor like Goosehead, you'll find these tasks mean you're working extra hours that infringe on the reasons why you started your own business in the first place, like work-life balance and flexibility.

## 2. Tap into a choice-model carrier portfolio

**Goosehead has a robust product portfolio with over 150 nationally renowned and region-specific personal lines insurance carriers.**

No two households are created equal, so this means that we can shop around for our customers to find them the best coverage for their needs. Compare that to other captive insurance agents who are tied to one carrier with little choice in coverage or independent insurance agents who only have a few options.

Goosehead, as the franchisor, has a dedicated team whose job is to secure new carriers and work relationships with existing ones. Franchise agents get to focus on the selling, knowing they have a vast database of carriers and policies to fall back on.

**The comprehensive products range from**



**HOME**



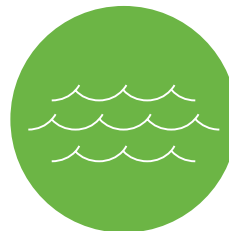
**AUTO**



**UMBRELLA**



**NON-STANDARD  
VEHICLES**



**FLOOD**

When customers know you have options, they stay with Goosehead year-over-year because our agents can offer to renew and re-shop their policy to save them money.



## 4. Earn a residual income

**Insurance agents have a major advantage when it comes to earning continuous income.** Finding and securing clients is one aspect of the job, but keeping them is what generates revenue for Goosehead agents.

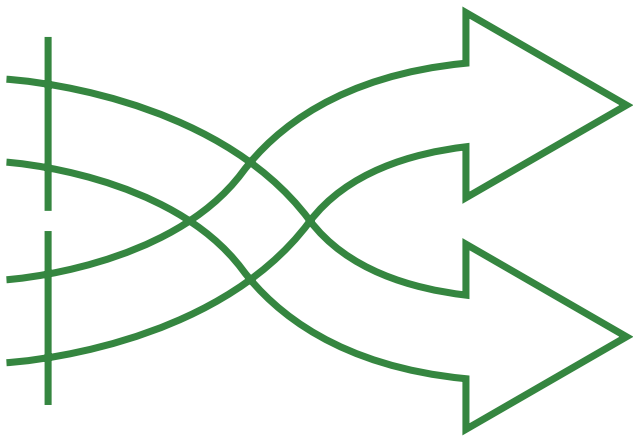
In order to remain covered, clients must renew their policies each year; therefore, agents will earn renewal commissions. Renewal commission is especially beneficial because it allows agents to maintain their stream of revenue even during difficult financial periods.



## 5. Own your book of clients

**Your focus as an insurance franchise owner is maintaining and enhancing your book.** A customer may initially come to Goosehead to purchase car insurance. Once they're part of your book and the relationship is established, you'll likely see customer through their major life events like purchasing a home or starting a family. Regardless of the event, change is constant and so is the need to cross-sell and bundle insurance policies to save your clients money.

We've already established the major advantage of Goosehead is its robust carrier profile, which makes re-shopping policies to get lower rates for your customers easier. Putting in the work up front for your clients means that you'll likely have their business for years, making them a staple in your book of customers.



## 6. Engage in a proof-of-concept partnership

### Avoid Legal Liabilities

Goosehead's business support can reduce your exposure to liability by providing underwriting experts and policy reviews (usually within 24 hours). Ongoing liability training and regular book reviews means you don't have to worry as much about the legal logistics of running your business.



### Don't Stress Over the Numbers

You signed up to sell insurance, not handle financial headaches. Goosehead offers a range of financial services to manage commissions, make payments to carriers, and provide detailed monthly statements.

### Keep Customers Happy

Use Goosehead's resources to become more efficient for your clients. The help desk features licensed experts ready to field questions on products, processes, and technology, as well as handle ongoing service needs so you can focus on selling.





# Franchise buying checklist



## Personal Investment and Financial Cost

- ☐ What is the average financial investment in the first year?
- ☐ What does an agent earn on average in years 1, 2, and 3?
- ☐ What is the earning potential for top performers?
- ☐ What should I expect to spend on overhead?
- ☐ What are the average commission rates on new business and renewal business?
- ☐ Is training provided for myself and my staff?
- ☐ Does the training consist of on-the-job training or classroom training?
- ☐ What topics do you train on?
- ☐ Do you offer on-going training and resources when I need help?



## Measuring Success

- ☐ How do you define “average” and “top performing” in your company?
- ☐ How is the team incentivized to provide an exceptional client experience?
- ☐ What is the average client retention rate?
- ☐ What are your client satisfaction scores?



## Insurance Carriers and Products

- ☐ What lines of business are available to write?
- ☐ What carrier appointments are available in my state?
- ☐ Who manages carrier relationships?



## Operational Support

- ☐ How do you help me market in my agency?
- ☐ What does the marketing plan cost?
- ☐ Will I have direct binding authority?
- ☐ What technology providers are used for Customer Relationship Management (CRM), Agency Management, Comparative Rater, Commission/Premium Accounting and phone systems?
- ☐ Is the technology integrated into one system or multiple platforms?
- ☐ What is the customer support setup like and what service tasks do they handle?
- ☐ Are customer support representatives licensed?
- ☐ Will the customer support representatives create additional revenue in my book or will they receive those commissions?

# Be confident in your franchise choice

As an entrepreneur, there are many reasons why franchising can result in higher value and faster profits.

The most important considerations for evaluating a franchise are as follows:

- ✓ A sales-first model can take the busy work off your plate.
- ✓ Selecting a company with a wide carrier portfolio helps clients find the right coverage at the best price.
- ✓ Advanced technology secures and targets new leads and referral partners for easier, streamlined sales processes.
- ✓ Focusing on new business and retaining your renewal income can significantly boost your earnings as an insurance seller.
- ✓ Owning and managing your book of clients by cross-selling and re-shopping helps better serve them.
- ✓ A franchisor with strategic partnerships can help you mitigate risk and grow as a business owner.

Interested in learning more about Goosehead  
Franchising opportunities?  
Go to [www.goosehead.com/franchise/join-now](https://www.goosehead.com/franchise/join-now)



# About Goosehead

**At Goosehead, we understand the power of choice.**

More importantly, we understand the benefits from making a smarter choice. Benefits like finding the right home and car insurance at the best price. That's exactly what you get when you choose Goosehead Insurance. But that's not all you get. You also have agents constantly ensuring you're getting the most out of your smarter choice. Whether it's continually comparing insurance plans, finding you the best rates, or guiding you if you need to make a claim, we've got you, and everything important to you, covered 24/7. After all, that's what having insurance is all about.

# Interested? Let's go

To serve you better, we need a few pieces of information from you.

- > Just go to [www.goosehead.com/franchise/join-now](http://www.goosehead.com/franchise/join-now)
- > Fill out the form

We'll get you connected to the right team member.

