

Scoring Methodology

A great deal of thought has gone into the FranCompare scoring methodology. The overall objective has been to make the scoring entirely arms-length, consistent and equitable to all. The same scoring sheet applies to all franchise systems, regardless of industry, size or company status in the industry. There are ~400 separate scores used throughout the scoring worksheet that apply the individual 23 variables being scored for each franchise system.

As an example, noted below are the scoring values that we use for the variable “3-Year Compound Annual Unit Growth.” For 2019 analyses, the Compound Growth Rate is determined by the change in the number of franchised units between End-of-Year 2015 and End-of-Year 2018, a 4-year period. The growth rate is the compound annual growth rate that is required to go from the first number to the second number.

3-Year Compound Annual Unit Growth - Max. 70	Score
Negative	0
0% - 4.9%	10
5.0 - 7.5%	25
7.6 - 10.0%	28
10.1 - 12.5%	30
12.6 - 15.0%	33
15.1 - 17.5%	35
17.6 - 20.0%	38
20.1 - 22.5%	40
22.6 - 25.0%	43
25.1 - 27.5%	45
27.6 - 30.0%	48
30.1 - 32.5%	50
32.6 - 35.0%	53
35.1 - 37.5%	55
37.6 - 40.0%	58
40.1 - 42.5%	60
42.6 - 45.0%	62
45.1 - 47.5%	64
47.6 - 50.0%	67
50.1 - 52.5%	68
52.6 - 55.0%	69
>55.1%	70

If a franchisor has 0 franchised units at the End-of-Year 2015, then the following chart is used.

Compound Annual Growth	
If a Company Start with Zero Units	
EOY 2018 Units	Score
2-3	35
4-5	38
6-7	40
8-9	43
10-11	45
12-13	48
14-15	50
16-17	53
18-19	55
20-21	58
22-23	60
24-25	63
26-27	65
28-29	68
30+	70