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Q: What is a franchise operating manual and what should be in it?

The franchise operating manual is the guide on how to operate your franchisee business. It should give detail for example on how to manage your business, including marketing and sales, plus any policies of the franchisor that you have to follow and any instructions on reporting and payment to the franchisor. It may contain templates and precedents, and other details such as how to perform services or how to order goods, depending on the type of business. It should be an operational manual on how to run the business and should not contain new legal obligations, but usually the legal agreement will incorporate the operating manual and say that you have to comply with it, so it may expand on any policies or topics referred to in the agreement.

Since the manual contains all the trade secrets of the franchisor and instructions on how to run the business, it is usually highly confidential and you will rarely be given a copy until after you have signed the legal agreement and become a franchisee. After you have become a franchisee, it will usually be a legal obligation to keep the manual confidential, and never to allow it to be copied or used in any other business.