

AREA DIRECTOR PAY STRUCTURE



Real Producers Area Directors (ADs) are franchise business owners, and their primary obligation is to sell advertising. We offer a high earning potential on top of a turnkey publication business with training and support – and we've waived our initial franchise fee for new ADs this year.



BUILDING YOUR INCOME

This franchise opportunity is a commission-based program and AD commission ranges widely from person to person depending on their individual level of sales activity. Our highest-earning AD averaged more than \$90K a month* during the 2023-2024 fiscal year.

Our advertising agreements are long term (between 12 and 36 months) so ADs can earn a predictable, residual monthly commission they continue to grow by bringing on new clients. Of the people who ran one publication during the fiscal year, those in the top 10% of commissions averaged over \$212K, with one person earning over \$243K**.



GETTING PAID

The profit model for Area Directors is simple:

Cash Received

15% Royalty to N2 Franchising
Publication Costs & Expenses
– Miscellaneous Fees

Profit

See our October 12, 2024, franchise disclosure document for more information regarding commission payment and fees.

DEFINING OUR TERMS

- **Cash Received** is the amount of revenue ADs generate by selling advertising space to local businesses (and by cross-selling ad space).
- **15%** is the royalty fee for The N2 Company, and is used for things like reinvesting in the organization to improve products and services.
- **Expenses** are the expected costs associated with producing a magazine, like paper, ink, postage, and shipping.
- **Miscellaneous fees** cover typical business expenses such as sample shipping, extra copy orders, missed deadline fees, etc.
- **Profit** is the remaining money for the AD that is automatically sent in a commission check.



RAMP-UP

As business owners, ADs go through an initial “ramp-up” period to build their new book of business. It's months spent securing enough advertising commitments to cover the cost of bringing their initial magazine issue to print. During this time, franchisees should be prepared to live on limited income. Once a magazine officially launches, the Area Director receives the first of many hard-earned (and growing) commission checks.

*In 2023-2024, 2 ADs managed seven publications. Of the 2 ADs who managed seven publications, 1 performed in the top 10% and had an annual commission of \$1,103,137. 1 AD performed in the bottom 10% of this group, earning an annual commission of \$776,619.

**In 2023-2024, 47 ADs managed one publication. Of the top-performing 10% of ADs in this group (5 ADs), 2 performed at or above the average commission of \$212,710. The highest commission earned by an AD in the top 10% of payments was \$243,914. The lowest commission earned by an Area Director in the top 10% of payments was \$199,175.

Your financial results may differ from those stated above. Important assumptions and qualifiers relating to this information can be found in Item 19 of our October 12, 2024, Real Producers franchise disclosure document.