

# THE ROADMAP TO INCOME

## INS AND OUTS OF THE AREA DIRECTOR PAY STRUCTURE



**600+**  
AREA DIRECTORS  
NATIONWIDE



**2,000,000+**  
READERS REACHED  
MONTHLY



**30,000+**  
ADVERTISING  
CLIENTS SERVED



**900+**  
N2 PUBLICATIONS  
IN PRINT



**Area Directors (ADs) are franchisees with N2, and their primary role is sales. We offer a turnkey opportunity with a proven program and tons of training and support – and we've waived our initial franchise fee this year. At the end of the day, ADs own their own low-investment, high-reward business.**



### Building Income

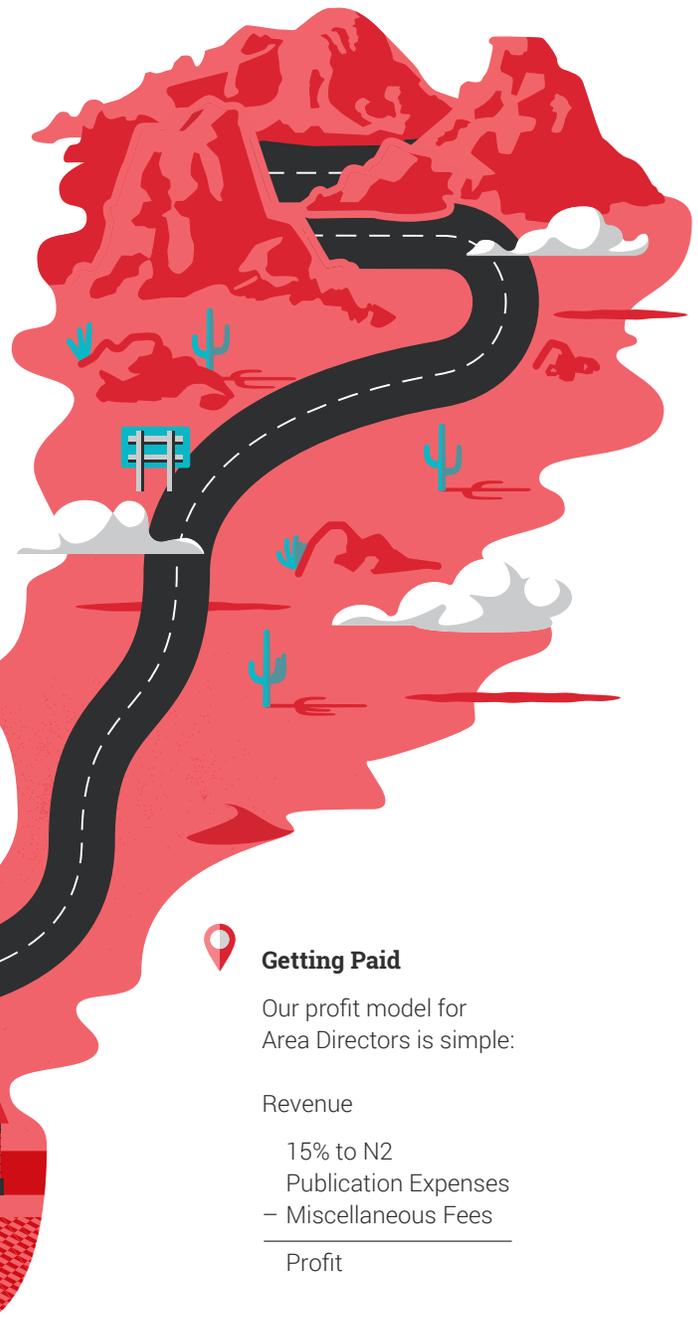
The Area Director opportunity is commission-only. The income of our ADs ranges widely, as some choose to put in minimal work and simply earn supplemental income for their family, while others push the needle, earning over \$25K in a month.\*\* ADs determine their own income.

Our advertising partnerships are long term only, meaning most contracts are for 12, 24, or 36 months. Because of this structure, Area Directors earn predictable, residual income month after month from their ad sales, and have time to continue bringing on new clients. Of the people that ran one publication in 2019, those in the top half of commissions averaged just over \$89,000, with one person earning over \$310,000. For people with multiple publications, the earnings ranged to over \$395,000 a year.\*\*\*

**\*\* In 2019, 328 Area Directors managed one publication. Of this group, 164 (50.0%) earned commissions in the top half of commission payments. 64 of the 164 (39.0%) performed at or above the average commission of \$89,193. The highest commission earned by an Area Director in the top half of payments was \$310,633. The lowest commission earned by an Area Director in the top half of payments was \$54,513.**

**\*\*\* 18 Area Directors managed three publications each. Of this group, 9 (50.0%) earned commission in the top half of commission payments. Of those who performed in the top half, 3 (33.3%) performed at or above the average of \$213,320. The highest commission earned by an Area Director in the top half of payments was \$396,705. The lowest commission earned by an Area Director in the top half of payments was \$160,035.**

Your financial results may differ from those stated above. See Item 19 in our October 14, 2019, franchise disclosure document for important assumptions and qualifiers relating to this information.



### Getting Paid

Our profit model for Area Directors is simple:

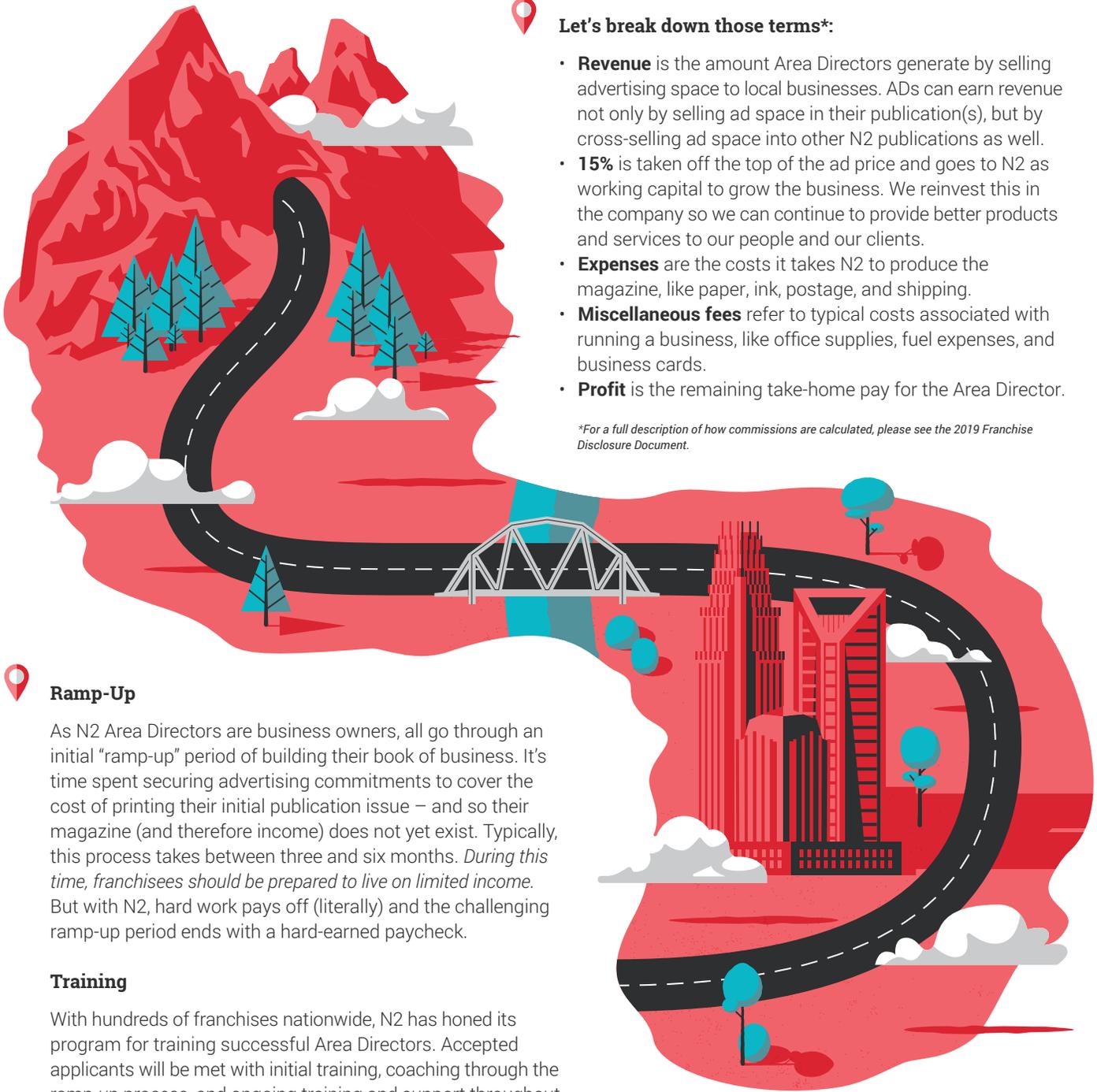
Revenue

15% to N2

Publication Expenses

– Miscellaneous Fees

Profit



**Let's break down those terms\*:**

- **Revenue** is the amount Area Directors generate by selling advertising space to local businesses. ADs can earn revenue not only by selling ad space in their publication(s), but by cross-selling ad space into other N2 publications as well.
- **15%** is taken off the top of the ad price and goes to N2 as working capital to grow the business. We reinvest this in the company so we can continue to provide better products and services to our people and our clients.
- **Expenses** are the costs it takes N2 to produce the magazine, like paper, ink, postage, and shipping.
- **Miscellaneous fees** refer to typical costs associated with running a business, like office supplies, fuel expenses, and business cards.
- **Profit** is the remaining take-home pay for the Area Director.

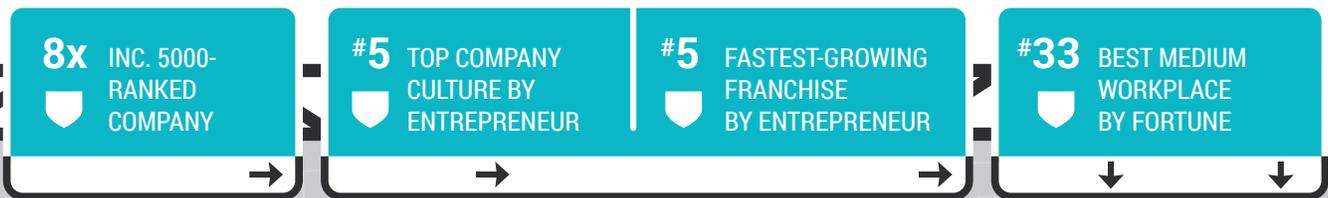
\*For a full description of how commissions are calculated, please see the 2019 Franchise Disclosure Document.

**Ramp-Up**

As N2 Area Directors are business owners, all go through an initial “ramp-up” period of building their book of business. It’s time spent securing advertising commitments to cover the cost of printing their initial publication issue – and so their magazine (and therefore income) does not yet exist. Typically, this process takes between three and six months. *During this time, franchisees should be prepared to live on limited income.* But with N2, hard work pays off (literally) and the challenging ramp-up period ends with a hard-earned paycheck.

**Training**

With hundreds of franchises nationwide, N2 has honed its program for training successful Area Directors. Accepted applicants will be met with initial training, coaching through the ramp-up process, and ongoing training and support throughout their tenure with N2, growing their income along the way.



The information presented in this advertisement is general information only and is not intended as an offer to sell or the solicitation of an offer to buy a franchise. Certain jurisdictions regulate the offer and sale of franchises. If the offer or sale is regulated by any of these jurisdictions, we will not offer or sell you a franchise unless and until we have complied with all applicable requirements.

