



**a low cost  
way to join  
America's  
newest  
printing  
network**





**“the result is a cost efficiency  
that cannot be matched by  
anyone on main street”**

*Printing World Magazine*



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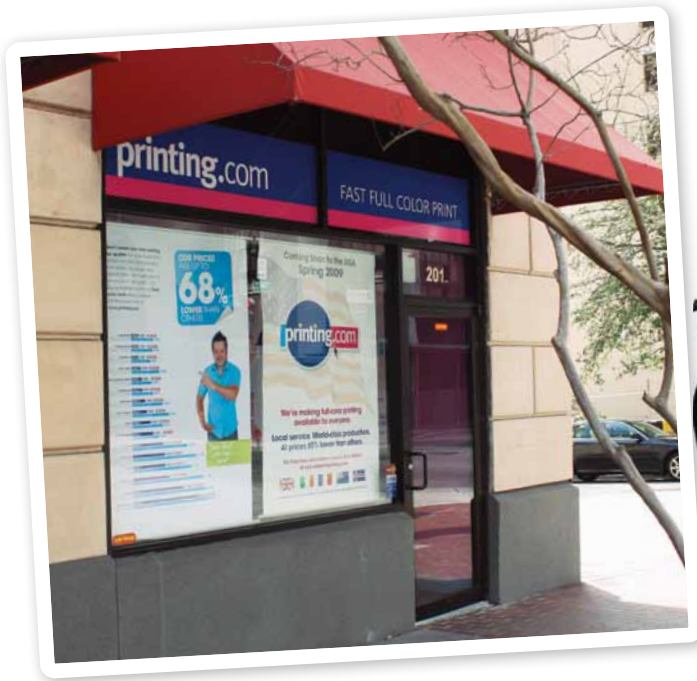
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# printing.com – a shift in the paradigm

**printing.com is an exciting fusion of IT, printing technology, savvy marketing and forward thinking. With the addition of the printing.com 'Direct Agent', a new low-cost route exists to start your own business.**

The idea is simple. By centralizing print production at our Jacksonville hub, we have radically reduced the investment required to own a printing franchise. You no longer need to buy expensive machinery like printing presses, guillotines and folding machines. But it's not just a question of reducing costs. Our production model enables a far superior product to be offered at a highly advantageous price point.

Today printing.com has a network of 28 outlets in the U.S. and over 300 worldwide, embracing a number of different formats. The 'Bolt-on' Franchise is available for the owners of established web or graphic design agencies or small print/copy businesses. These franchise formats had an initial investment of approximately \$10,000 - \$40,000. Different times call for a different approach.



## different times, different approach

**Different times call for a different approach. That's the reason the printing.com Direct Agent Franchise has been introduced. While the scope still exists to progress to a more senior format, this approach minimizes the cost of the first step.**

Direct Agent Franchises enjoy the same features and functionality as any other printing.com Franchise. A Direct Agent Franchisee starts their business from a home office or a 'hot-desk' in a business center.

The Direct Agent approach eliminates the need for shopfitting costs, retail-level rents and the employment of additional staff during the first phase of the business. It also reduces the necessary investment to under \$10,000.

printing.com Franchisees (of every format) do not simply rely upon their locality to win business. To succeed they must be actively engaged with their local business community.

Direct Agents can operate from their home address in circumstances where that area has not been 'pledged' to another Franchisee. Where the home address is in a pledged area (or indeed if it's the Franchisee's preference) they are encouraged to find a 'hot-desk' arrangement in a small business center in a nearby town.

Direct Agents should have some experience in sales, marketing or graphic design. Direct Agents carry out the graphic design for their clients. As a minimum, the prospective Franchisee should be an enthusiastic user of applications such as PowerPoint, InDesign or Photoshop.

To be a printing.com Direct Agent, the program requires a minimum liquid investment of approximately \$5,000.

We hope you enjoy exploring the printing.com Direct Agent opportunity.



"different  
times call for  
a different  
approach"

# the printing.com price advantage

On a biennial basis, printing.com commissions market research agency Q.P. Consulting to compare its prices with the printing sector at large.

Around the U.S., Q.P. Consulting surveyed commercial printers on a variety of items needed for a start-up company.

The results speak for themselves...



Interestingly, a greater price advantage was found in comparison with other franchised print outlets than with the sector at large.

During the economic downturn, the printing sector has faced certain challenges. To combat these and maintain competitive advantage, printing.com has enhanced its monthly half price deals for the benefit of its Franchise community. This means that in most months, five or six key products are offered at half price, providing a potent offering for printing.com Franchisees to reach out to their clients.

This is the reason that printing.com has outperformed the sector at large during a period of particular challenge.



Industry average price refers to the average of quotes obtained from an independent survey of printers performed by Q.P. Consulting, September 2008. Results of survey are copyright and may not be reproduced in any way without prior written consent from printing.com.

# the printing.com product range

printing.com offers a broad range of full color printing, collectively able to meet the vast majority of print needs for the small-to-medium-sized enterprises (SME) and corporate business community.

Delivering the end product requires two essential elements. First, you identify the most appropriate product from printing.com's range of over 2,000 set-price deals. Second, you add the creative inspiration that solves your client's promotional needs. That's the art of printing.com – you supply the graphic design, copy writing, marketing consultancy and concepts with the assurance that the printing.com system will deliver on time.



- appointment cards
- booklets
- bookmarks
- business cards
- CD jackets
- corporate folders
- cut-out cards
- desk calendars
- desk notepads
- DVD sleeves
- envelopes
- flyers
- folder inserts
- glossy postcards
- greeting cards
- hang tags
- hanging calendars
- invitations
- key wallets
- laser forms
- laser mailers
- letterheads
- litho posters
- menus
- place mats
- pocket calendars
- postcards
- presentation folders
- promotional card flyers
- second sheets
- showcards
- stationery packs
- stickers
- tent cards
- voucher cards
- wobblers

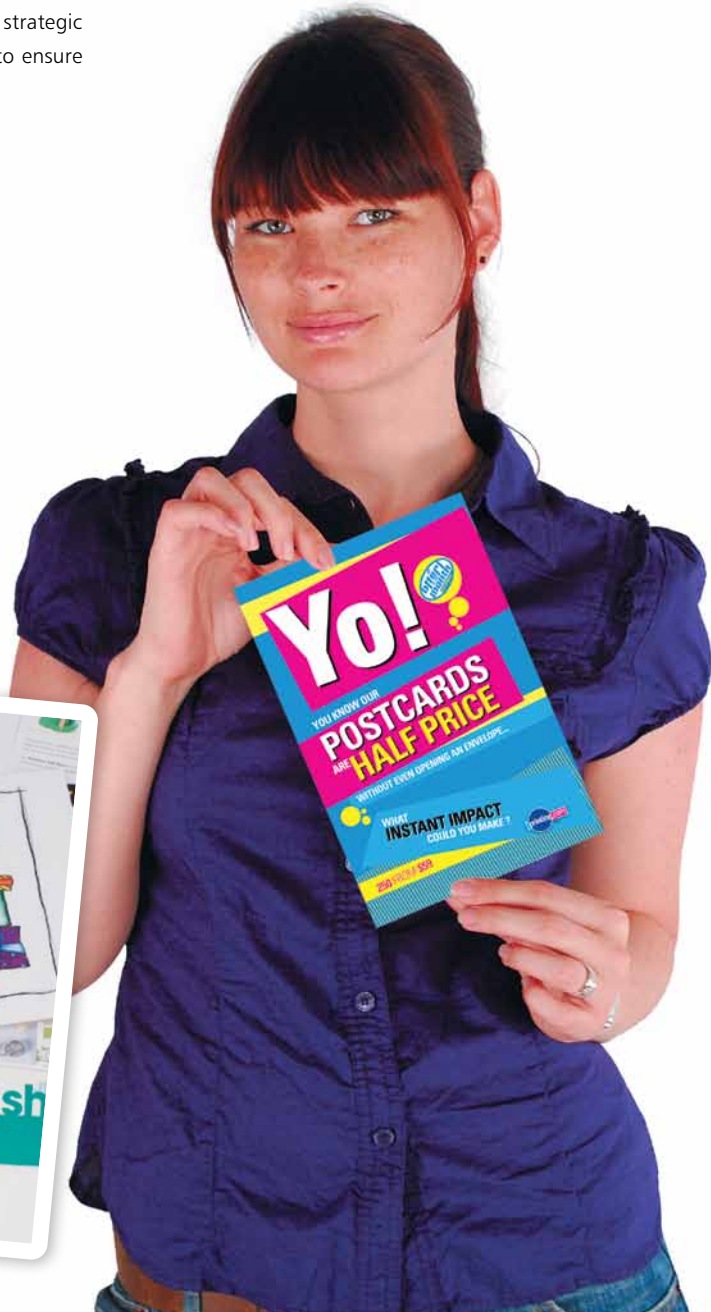
# marketing collateral with punch

## offline marketing

At the heart of printing.com's marketing collateral is our buying guide. At over 70 pages, it details the entire printing.com range, enabling clients to effortlessly plan their marketing. It also eliminates the administrative burden of producing custom quotations.

Complementing the buying guide is an extensive range of other marketing devices including direct mail, publication inserts, e-shots and product samples. This range is aimed at maximizing revenues throughout the client's life cycle – mailers to win new clients, strategic offers to nurture the relationship, and client questionnaires to ensure the relationship stays on course.

Why waste time (and money)  
giving out the same quote  
over and over again?



# online marketing

Founded on what is arguably the preeminent domain name in the sector, 'printing.com' is the ubiquitous 'bricks and mortar' franchise. We combine the best of online efficiency, together with a real presence in the local business community.

In March 2000 the domain name was acquired, representing an investment of over \$800,000. Today we believe this investment is well justified and provides a brand differential in the market place.

The domain name alone is not simply relied upon. The profile of printing.com is carefully managed by a combination of search engine optimization\* and paid-for Google AdWords.

As a startup in the US, we're still acquiring data, but the prominence of the printing.com brand is reflected on 'alexa.com,' the leading web traffic analysis company. They found that printing.com was the 2,656th most visited site in the UK, we believe, the highest of any B2B printer. This is in comparison to our nearest printing franchise competitor, who came in well over the 16,000 mark.

Leads from the printing.com website are channeled to the nearest printing.com Franchise. Direct Agents are listed on par with other Franchises\*\*.

## Website ranking for businesses in the UK

printing.com: 2,656

nearest other print Franchise: 16,791

source: www.alexa.com (March 2010)

## www.printing.com worldwide website stats - per month

- 5,000,000 hits
- 12,000 referrals from other sites
- 26,000 visitors go directly to printing.com
- 14,000 visits to our 'Contact Us' page



In the U.S., during May, 2010, our Google ads were shown 226,517 times

664 visitors clicked through

455 people then went on to 'Contact Us' directly

\* This is not simply making our website content more search engine friendly, but also posting on relevant forums and blogs and creating links to the website.

\*\*Those trading from a home office or 'hot desk' are listed by telephone, email and locality only.

# Flyerlink® – our IT heart

printing.com's proprietary software, Flyerlink®, provides the backbone for all our operational practices. Within the Franchise, Flyerlink® allows easy management of the workflow - including prioritizing which jobs need designing first and which orders are approved for printing. Having the scheduling process online means that team members interact effectively without the need for an antiquated 'card-based' system.

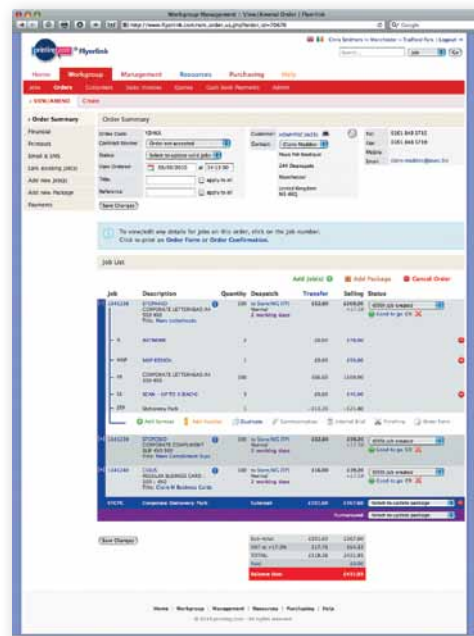
Flyerlink® connects the Franchisee to our end-user clients and our production hub. Clients may place new orders and reorders online at my.printing.com, saving the Franchisee admin time and making the process more efficient. Clients can view and approve proofs using Kodak SmartReview, which is integrated with Flyerlink®, and makes the artwork approval process more robust.

Flyerlink® produces the necessary order forms and confirms the exact specification of a client's order.

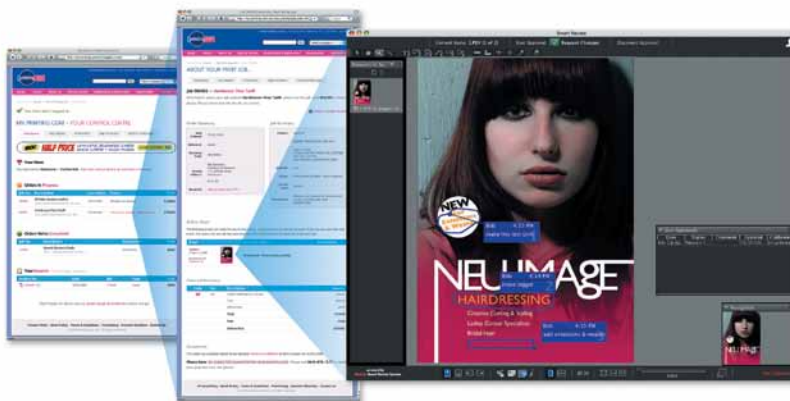
Via Flyerlink®, Franchisees control the exact specification of the printing, including the type of paper and turnaround, together with finishing options such as die-cutting and UV coating.

Flyerlink® is also directly linked to UPS, giving Franchisees control over where goods are delivered and also the time at which they will arrive at the chosen destination. Of course, clients can track their order online at my.printing.com without needing to contact the Franchisee.

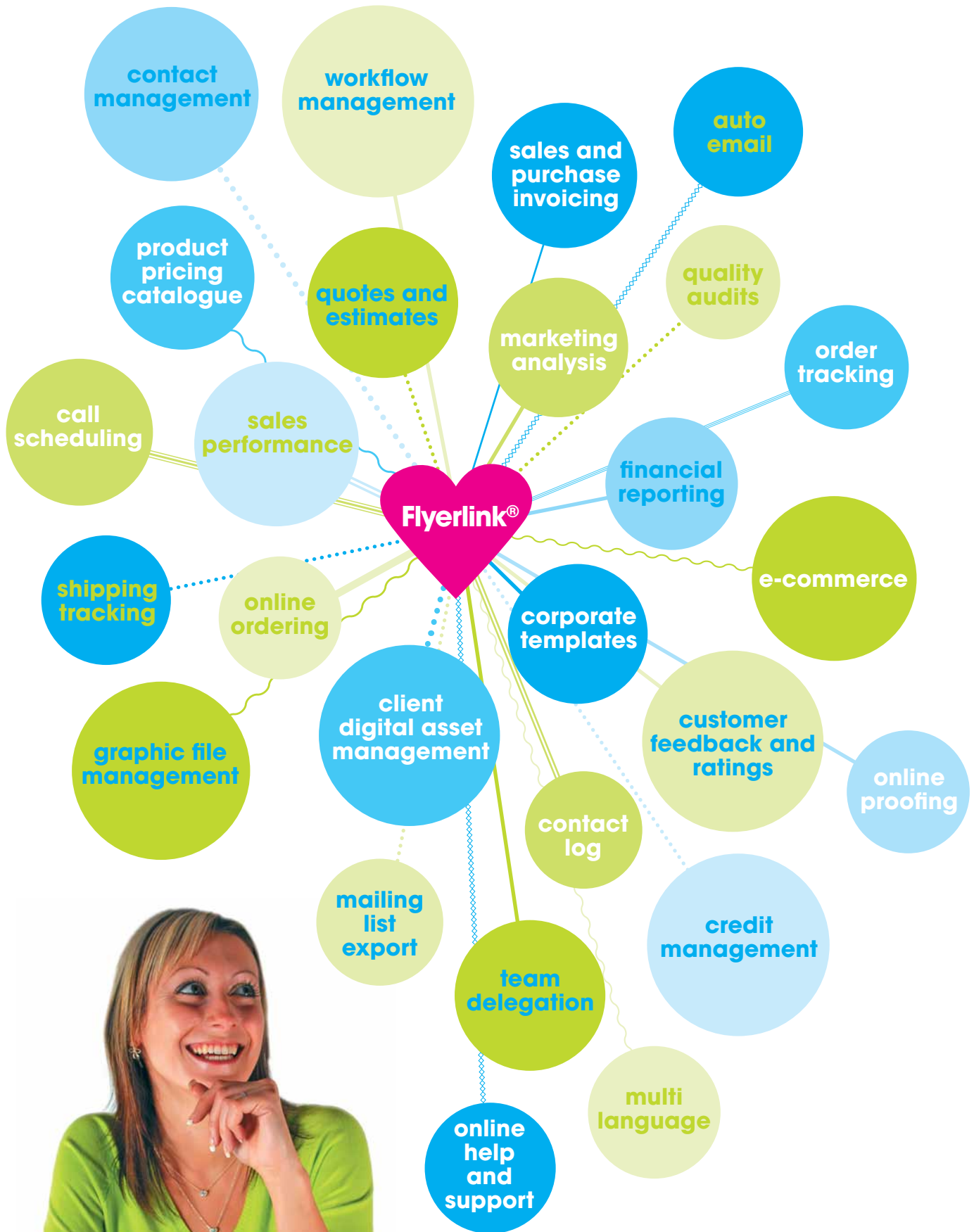
"Flyerlink connects the Franchisee to our end user clients and our production hub"



Flyerlink® makes it easy to manage lots of jobs at the same time



my.printing.com is integrated with Kodak SmartReview to allow customers to electronically approve their artwork online



# the production hub

printing.com's state-of-the-art U.S. production hub is one of the most advanced printing facilities in the country. As a Direct Agent Franchisee, these facilities are at your disposal and only a click away via your Flyerlink® software.

There is no need to recruit printers – our expert team is yours when you need it. Capacity planning (a real headache for the traditional print store) becomes a thing of the past – that's our problem, not yours. Send a simple set of business cards or many complicated orders on any given day and your 'Service Level Guarantee' assures you that your job will return on time and printed to the highest quality.

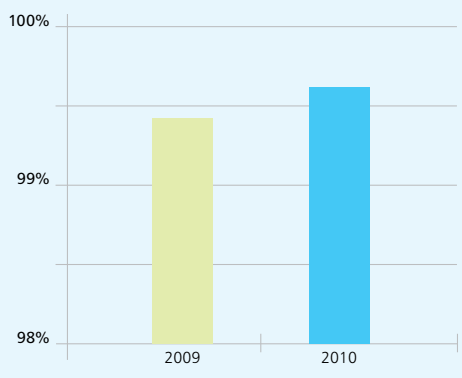
We have made contingencies at every critical stage of production to ensure that a breakdown in the middle of the night won't affect the all-important turnaround.

Flyerlink® controls every stage of production, from outputting plates, through printing on our industrial presses, to shipping via UPS.





### shipping: % on time



# your initial training



printing.com's training center provides a leading edge environment for your classroom training sessions. We provide over 2,000 hours of training every year. You'll follow a number of courses covering a diverse syllabus featuring:

<b>Sales</b>	<b>Graphic Design</b>
<b>Graphic Technology</b>	<b>Color Theory</b>
<b>Validation and Verification</b>	<b>Contract Review</b>
<b>Flyerlink®</b>	<b>Customer Service</b>
<b>Payment Directive</b>	<b>Marketing</b>

The classroom sessions are supplemented with a home study course focusing on graphic design principles. Your background is not important to your success – we have achieved considerable success equipping accountants, surveyors, marketers, computer programmers and sales professionals with the necessary skills to produce quality, modern design.

We also run a variety of regionally delivered Sales Training courses and Open Workshops.



"our training center provides a leading edge environment for your classroom training sessions"

# making it happen in difficult times

**There's no pretense that the economic situation in the U.S. remains difficult and recovery is at an embryonic stage.**

printing.com recently reported that 'like-for-like' performance was 3-4% down\*. This was disappointing as previously only positive growth had been reported. However, in context with the printing sector at large, printing.com's performance is eminently more favorable.

While it is difficult to be precise in this matter, we believe printing.com is continuing to increase market share. This, we believe, is attributed to clients seeking out better value, and our advantageous price points. This bodes well for the printing.com network, as economic recovery becomes more certain.

However, we are not nonchalant in this respect. Since the demise of the economy we have set out to assist printing.com Franchises in a number of ways:

**Increased potency of monthly offers**  
**Subsidized regional sales training**  
**Coordinated central mailings**  
**Increased online marketing investment**

Collectively we believe that these measures represent a responsible approach in these difficult times.



\* Figures taken from the printing.com plc Interim Report and Accounts 2009



# who we are seeking

To be successful with printing.com requires competence across five important disciplines.

## design

This does not mean you need to be a graphic designer by profession – indeed, many of our best designers in the network studied business, history or even accounting in college. Of course if your background isn't from the design sphere, then those skills need to be acquired and the starting point for this will depend upon what skills exist in the use of InDesign, PowerPoint or indeed even Photoshop.

printing.com training sessions, the printing.com home study course and regional tutorials, along with generic local design classes provide an access route.

## sales

printing.com is a consultative-led sale in which the articulation of marketing rationale creates the reasons why a client may be encouraged to commission printing.com for a given project. While this is not a 'hard sell' proposition, prospective Direct Agents must be realistic of the need to be proactive and resilient in their sales initiatives.

That said, selling is far easier when equipped with the salient skills to better communicate the message. Direct Agents are encouraged to adopt the printing.com sales methodologies and refresher courses are delivered locally on an ongoing basis.

## networkers

The printing.com sales and marketing approach will introduce an area of new networking opportunities, however the Direct Agent should have business contacts in the area in which they will operate. This gives them some 'friendly faces' to initially approach post launch, enabling the Direct Agent to get off to a faster start.

"Non-designers can produce well crafted design via diligent progress of the printing.com development program"



## marketing

Clients come to printing.com not because they need printing per se, but because they want their products/services promoted. Being able to articulate the key tenants of both the marketing and promotional mix provides a distinct advantage. Successful printing.com outlets interact with their clients at a higher level, providing branding advice, copy writing, and other consultative services.

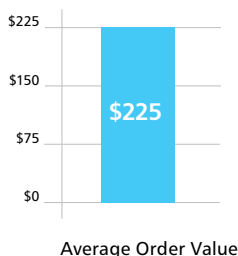
## commercial

Many people without a prior commercial background successfully run printing.com Franchises. printing.com methodology covers all of the key commercial aspects such as, knowing when and where to give trade credit, together with sales and margin analysis.

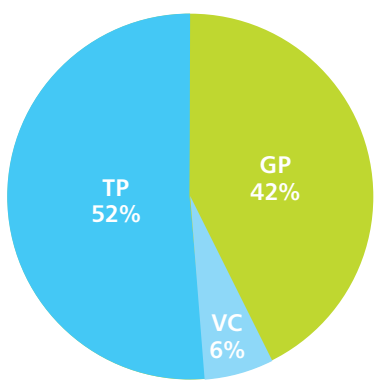
"Successful printing.com outlets interact with their clients at a higher level"



# the financial side



Average Order Value



Franchisee share

- TP: Transfer Price
- GP: Gross Profit
- VC: Variable Costs

Monthly Fixed Costs	
Hot-desk rent	\$300
Marketing	\$450
Travel	\$200
Phones	\$125
I.T. Depreciation	\$100
License fee Amortization	\$150
<b>TOTAL</b>	<b>\$1,325<sup>^</sup></b>

## the average printing.com order value

The average order value is approximately \$225, meaning that printing.com Franchisees are not reliant upon large orders that may or may not come to fruition. However, on a daily basis printing.com Franchisees win orders significantly larger than this, and orders over \$1,000 are not uncommon.

## who gets what?

The printing.com average Franchisee achieves a gross profit of approximately 48%. This is not a ceiling; Franchisees are encouraged to stretch margin by vending additional 'value added' services, such as design, copy writing, photography or marketing consultancy. Many Franchisees achieve margins of over 60%, meaning more of every order goes to them.

printing.com is different from other franchises who levy a sales royalty (typically 8%). Instead, printing.com charges a predetermined **Transfer Price** for every order supplied by the centralized hub. The Franchisee retains the difference, i.e. the **Gross Profit** (GP = Sales – Transfer Price).

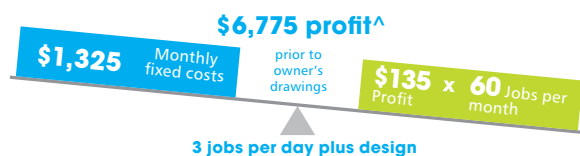
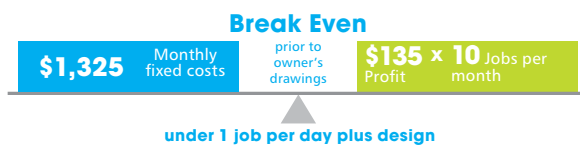
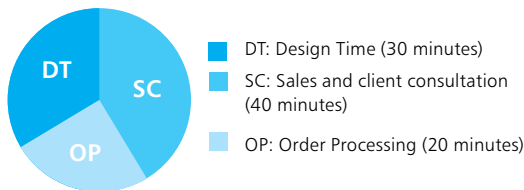
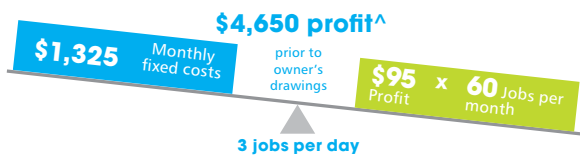
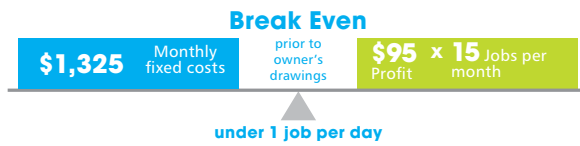
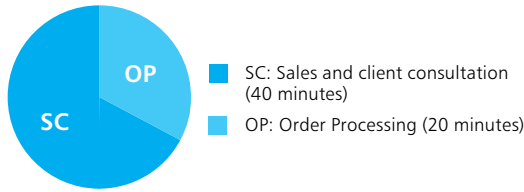
**Variable Costs**, such as Credit Card processing charges are estimated to be 2% of sales with shipping costs at 4%. As volumes increase, shipping costs as a percentage will fall as the efficiencies of consolidation come into play.

**This means that for each \$225 job, the Franchisee makes a typical profit of approximately \$95 per job.**

## fixed costs

The fixed costs have been set prior to any drawings by the owner of the Franchise. They take into account depreciation of I.T. hardware and software, amortization of license and support fees and monthly fixed overheads.

<sup>^</sup>These simple financial illustrations are to provide an overview only. At the next stage, detailed financial figures will be provided for review with your accountant. These illustrations have been prepared by spreading the premium within the initial license fee and the support fee over a five year period. These figures exclude interest payments and are for illustrative purposes only.



## time per job

As a rule of thumb, a realistic time frame for an average job would be one hour, as broken down in the diagram. However, efficiency is at the heart of the printing.com method, and scope exists for this figure to be materially bettered.

## the profit threshold

If a Franchisee processed 1 job per day, in an average 20 working day month, they would then start to show a profit. In that respect, given we would expect one job to take around one hour to process, there is clearly capacity for the Franchisee to process multiple jobs each day. If a Franchisee were to process 4 jobs a day, (this is by no means at saturation point) the profits would reach \$6,275.

If a Franchisee started to exhibit these sort of metrics, we would encourage them to consider taking the next step and go beyond a one-person team, by recruiting their first employee and move into appropriate premises.

We put forward that the fiscal benefits of the printing.com Direct Agent are lower investment, lower cash burn in the months following set up and lower risk.

## what about design?

At printing.com, we love to design! Therefore, generating design opportunities is paramount to the success of our franchises. Remember, printing.com doesn't charge royalties. So you keep 100% of your design revenues. If you average just 30 minutes of design per job, at \$80/hour, that's an extra \$40 per job.

## how long will it take?

It is perfectly plausible that with the right contacts and aptitude a Direct Agent could achieve the higher run rate (4 jobs per day) in the first 6 months. However, this will depend upon the dexterity of the individual and, in part, the transferable skills they bring to the business.

After the completion of the non-disclosure Agreement, and during an exploratory meeting with printing.com, a financial planning exercise will be carried out, reviewing the cash flow for given scenarios. These cash flows will form part of your due diligence on the printing.com Direct Agent opportunity. And of course, you will be able to review these with your accountant or advisor.

# the future

Having begun your entrepreneurial career as a printing.com Direct Agent, the scope exists to progress beyond the home office or 'hot desk' format.

We would only advocate that this is undertaken once the Direct Agent is achieving a suitable underlying profit and generating some cash reserves to assist funding. Also, the agent MUST have achieved the necessary printing.com 'competencies', as it would be foolhardy to go on to recruit an additional team member if the Franchisee's skills were substandard.

The next step could involve a move to a secondary retail location, providing good brand prominence and exposure to your printing.com price points.

Alternatively, offering lower occupational costs, a shared office space could be chosen. Shared spaces typically offer some scope for visible brand exposure and a halfway house between the visibility and costs of a true retail location versus an office, within an office complex.



# typical investment

**EQUIPMENT PACKS** **\$4,000**

Owner's Apple Mac laptop and printer, Adobe CS4 and Enfocus PDF creation software

**INITIAL FRANCHISE FEE** **\$995**

- Granting of printing.com's Direct Agent Franchise
- Full access to the entire printing.com system at par with any printing.com outlet
- License to use the printing.com brand
- Complete access to printing.com's proprietary software Flyerlink®
- An extensive 'launch pack' of printing.com marketing collateral - Buying Guides, product samples, mailers and the like
- A package of classroom training courses
- The installation and configuration of all IT inclusive of hardware, software and communications

**SUPPORT FEE** **\$900\***

- Hosting of Flyerlink® and www.printing.com
- Ongoing software upgrades
- License fees for SmartReview and Online Ordering
- Development of ongoing marketing materials
- Continuous support from a Business Development Manager (BDM)

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**TOTAL INITIAL COSTS** **\$5,895**

**ADDITIONAL WORKING CAPITAL** **\$5,000**

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**TOTAL FUNDING REQUIREMENT** **\$10,895**



\* Support fee is \$150/month with the first 6 months waived.

# how it works



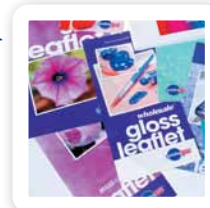
**Online**  
Receive leads directly from the printing.com website.



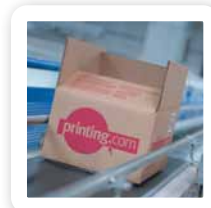
**Next Day Delivery**  
Ensures swift delivery at an optimum price point.



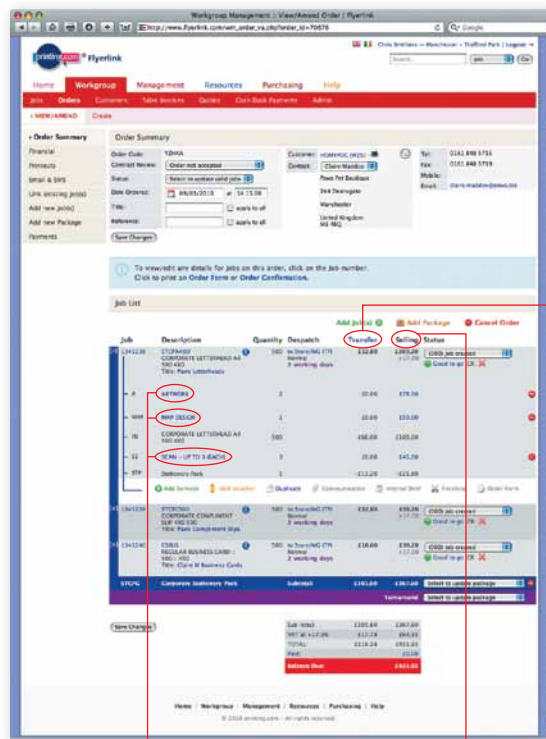
**Offline**  
Use printing.com marketing collateral to assist local B2B networking.



**Samples**  
To help convey options and price points to the clients.



**Packing**  
Orders are shrink-wrapped, carefully packed and bar coded to ensure safe delivery.



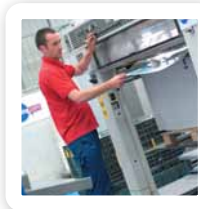
**printing.com Buying Guide**  
'Fixed prices' eliminate the need to give out time-consuming individual quotations.

**Transfer Price**  
This is the price you pay us for the printing.



**Finishing**  
Programmable guillotines ensure the finished printed sheets are rapidly converted to final product size.

**printing.com's Flyerlink® software**  
Controls every aspect of every order online.



**Press**  
Ultra-efficient \$2 million, commercial full color presses ensure premium quality printing.



**Pre-Press**  
Multiple images of similar orders are grouped together allowing advantageous pricing.



**Graphic File Transfer**  
Once approved for printing, Flyerlink® software transmits the order to the production hub.



**The Proofing Stage**  
The client's graphics needs are completed by the Franchisee and proofed by hard copy or online via Flyerlink®





**printing.com**

MS/SH07-10/V2.0

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