



MAKE THE COMPARISON Experience The Difference

Before joining a franchise, compare start-up and ongoing costs. Then analyze the true value these costs bring to your business. Every dollar you invest during those critical early months of starting a business needs to stretch as far as it can.

	Franchise Fee	2nd Store	Initial Investment	Royalty	Ad Fee
The UPS Store	29,950	19,950	170,766 to 276,375	5%	4.5% ^D
PostNet	29,950	15,000	162,875 to 186,600	5%	2%
Postal Annex	29,950	14,975	125,500 ^B - 187,550	5%	3% ^D
Pak Mail	29,950	A	164,135 to 171,149	5-3% ^B	2%
Aim	26,900	13,450	119,950 to 192,250	5%	2%
Goin Postal	22,500*	22,500	46,000 to 157,800*	\$200/mo	+
Postal Connections	23,900	12,900	115,900 to 152,900	4%	0%++

Source: 2007 UFOCs & Franchise Agreements

ADDITIONAL CONSIDERATIONS

- Some franchise agreements require early funding of fees paid up-front when the initial franchise fee is paid. This can range from \$94,000 to \$106,199 paid with the initial fee when the franchise agreement is signed. This is prior to identifying your store site and training. It can result in months of financing costs before your business opens.
- Several franchise agreements provide for the franchiser to exclusively sell services, equipment, supplies, and marketing items to their franchisees. Many franchisers report more than 20% of their total revenue coming from re-selling items to their franchisees. We believe this limits operational flexibility and opportunities to use the most efficient business solution. Postal Connections makes its revenue only from the initial franchise fee, new store installation management, and royalties.
- Many of the franchise agreements impound franchisee funds to support opening marketing activities ranging from \$1,500 to \$7,500. Postal Connections has arranged for vendor subsidies to grand opening activities and no impounds.



- Several franchise agreements require exclusive equipment leasing arrangements franchisees must accept. The franchiser then earns a referral or administrative fee paid by the vendor. Postal Connections has arranged low-cost equipment leases where no “finder fees” are paid instead incentives or wholesale rates are offered to the franchisee.

Postal Connections offers a compact store model designed for smaller retail spaces that have potential for an typical sales volume. These compact stores are awarded at the sole direction of Postal Connections.

++ Agreement includes 2% national advertising fee, but it has been waived with no plans to implement.

- * Franchise Fee is \$15,000 plus \$7,500 equipment & proprietary software paid up front with Fee. Initial Investment range has two options—1) Turn-Key Package \$131,000 to \$157,800 as reported in current UFOC and 2) regular franchise store \$46,700 to \$127,300, where much of the build out & store installation is done by franchisee.

- (A) Multiple store discount not shown in UFOC
- (B) This requires purchase of a smaller Express unit approved by franchisee
- (C) Royalties begin at 5% of sales and decrease to 3% when annual sales exceed \$350,000
- (D) Includes additional 1% fee obligation to local advertising coop

+ No fee, but any merchandise, ad materials, internal signs, etc. using franchise trade marks must be purchased exclusively through franchiser.

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The information provided on this web site should not be construed as an offer of a franchise. Offers of franchises may only be made by delivery of a Franchise Disclosure Document (prospectus) and in certain states the disclosure document must first have been registered with a state agency that regulates the offers and sales of franchises.