



The Royalty Expense

How much do the royalties and the percentage add on charged by the other franchisors, really cost you?

The answer is "They cost you A LOT."

Everyone in this industry, except Safe Ship™ has a percentage franchise fee. One competitor is 11.5%. The others run between 7.5% and 11%. PLUS advertising fees running from 2.5% to 4%. AND that's not all, they have other additional fees running from 2% to 4% for maintenance of the account.

Anyway you look at it, it is an added expense that takes your profit dollars and gives it to them. We don't think that is right.

Take a look at the following graph. I have laid it out to show how much money one of our competitors takes in these percentage charges. It is amazing. We are only comparing the difference including their royalties and advertising fee. As one of our competitors' franchisee there are additional charges that we are not including. So what you pay is more than this amount.

Sales	Royalty 11.5%	Advertising 4.5%	Them	Safe Ship	Savings
100,000.00	11,500.00	4,500.00	16,000.00	3,600.00	13,400.00
125,000.00	14,375.00	5,625.00	20,000.00	3,600.00	16,400.00
150,000.00	17,250.00	6,750.00	24,000.00	3,600.00	20,400.00
175,000.00	20,125.00	7,875.00	28,000.00	3,600.00	24,400.00
200,000.00	23,000.00	9,000.00	32,000.00	3,600.00	28,400.00
300,000.00	34,500.00	13,500.00	48,000.00	3,600.00	44,400.00
400,000.00	46,000.00	18,000.00	64,000.00	3,600.00	60,400.00
500,000.00	57,500.00	22,500.00	80,000.00	3,600.00	76,400.00
800,000.00	92,000.00	36,000.00	128,000.00	3,600.00	124,400.00

How much are you giving up of your own money to be one of our competitors? A well run ten year old store should have annual sales of \$500,000.

So in 10 years of being one of our competitors franchisee you will have paid over a half million dollars (\$500,000.00) in royalties. Think about it. That is your money.

OK yes, our competitor is very proud of their name and their business. AND Yes, that is the high side of what other franchisors charge to their franchisees. Let's look at the low side.

Sales	Royalty 7.5%	Advertising 2.5%	Them	Safe Ship	Savings
100,000.00	7,500.00	2,500.00	10,000.00	3,600.00	6,400.00
125,000.00	9,375.00	3,125.00	12,500.00	3,600.00	8,900.00
150,000.00	11,250.00	3,750.00	15,000.00	3,600.00	11,400.00
175,000.00	13,125.00	4,375.00	17,500.00	3,600.00	13,900.00
200,000.00	15,000.00	5,000.00	20,000.00	3,600.00	16,400.00
300,000.00	22,500.00	7,500.00	30,000.00	3,600.00	26,400.00
400,000.00	30,000.00	10,000.00	40,000.00	3,600.00	36,400.00
500,000.00	37,500.00	12,500.00	50,000.00	3,600.00	46,400.00
800,000.00	60,000.00	20,000.00	80,000.00	3,600.00	77,400.00

Assuming the same 10 year growth, the franchisee will pay about \$375,000 in royalties over that period of time. Had you put that money in your retirement portfolio, WOW can you imagine how much you would have earned?

Also note that we did not figure in any other additional ongoing monthly charges that our competitors and the other companies have. So the loss can be even more.

Think about these things as you prepare your future and as you look at the franchise options available from Safe Ship and from the other companies.

Our purpose is NOT to down talk our competitors. We just want you to be aware of other charges that come out of your profits. Research your franchisor. Know what you are investing in.

Royalti Expenses YOU PAY

10 year average sales

Sales	Royalty 11.5%	Advertising 4.5%	Them	Safe Ship	Savings per Year
100,000.00	11,500.00	4,500.00	16,000.00	3,600.00	12,400.00
125,000.00	14,375.00	5,625.00	20,000.00	3,600.00	16,400.00
150,000.00	17,250.00	6,750.00	24,000.00	3,600.00	20,400.00
175,000.00	20,125.00	7,875.00	28,000.00	3,600.00	24,400.00
200,000.00	23,000.00	9,000.00	32,000.00	3,600.00	28,400.00
300,000.00	34,500.00	13,500.00	48,000.00	3,600.00	44,400.00
400,000.00	46,000.00	18,000.00	64,000.00	3,600.00	60,400.00
500,000.00	57,500.00	22,500.00	80,000.00	3,600.00	76,400.00
350,000.00	40,250.00	15,750.00	56,000.00	3,600.00	52,400.00

Sales	Royalty 7.5%	Advertising 2.5%	Them	Safe Ship	Savings per Year
100,000.00	7,500.00	2,500.00	10,000.00	3,600.00	6,400.00
125,000.00	9,375.00	3,125.00	12,500.00	3,600.00	8,900.00
150,000.00	11,250.00	3,750.00	15,000.00	3,600.00	11,400.00
175,000.00	13,125.00	4,375.00	17,500.00	3,600.00	13,900.00
200,000.00	15,000.00	5,000.00	20,000.00	3,600.00	16,400.00
300,000.00	22,500.00	7,500.00	30,000.00	3,600.00	26,400.00
400,000.00	30,000.00	10,000.00	40,000.00	3,600.00	36,400.00
500,000.00	37,500.00	12,500.00	50,000.00	3,600.00	46,400.00
350,000.00	26,250.00	8,750.00	35,000.00	3,600.00	31,400.00