

FREQUENTLY ASKED QUESTIONS

WHAT IS THE INITIAL FRANCHISE FEE?

- There is an initial franchise fee of \$25,000, which is due immediately upon signing the franchise agreement.

HOW MUCH IS THE ROYALTY FEE/MARKETING FEE?

- The royalty fee is 7% of gross sales (1% reduction may also be applied if paid weekly)
- The marketing fee is 3% of gross sales

HOW MUCH IS THE INITIAL INVESTMENT?

- Your estimated initial investment varies depending on the type and size of each franchise store.
- Generally, a new store would range between \$90,000 to \$230,000

HOW ACTIVE DO I HAVE TO BE IN DAY-TO-DAY OPERATIONS OF MY FRANCHISE?

It isn't mandatory for a franchisee, who has purchased a Rayacom, to personally operate the Rayacom store. However, there must be a full time manager who has, with satisfaction, completed the training course provided by Rayacom—proving full ability to operation and oversee the business. Rayacom will not jeopardize its brand by allowing untrained or inexperienced personnels to operate the stores. It is critical to note that a large part the success of Rayacom franchises depend on the enthusiasm, work ethics, attitude, and entrepreneurial skills of individual franchisees. Therefore, Rayacom strongly recommends that franchisees be actively involved with their own store on a daily basis.

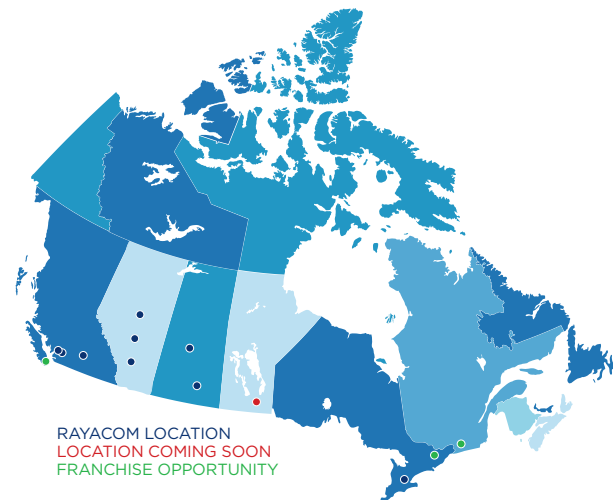
WHERE WOULD I SET UP A RAYACOM STORE?

At Rayacom, we know that business counts are more important than population counts or miles of radius. That is why your location will be based on the demand for Rayacom products and services. Each location must demonstrate:

- 500 targeted businesses
- Within target postal codes
- Within a serviceable range

ARE THERE WAYS TO FINANCE THE BUSINESS?

Yes, there are several ways to finance the business. Once a potential franchisee fills out our application form, Rayacom management will meet personally with the candidates and discuss finance options.



ALL FRANCHISE INQUIRIES CAN BE MADE TO:

RAYACOM

11004 - 105 Avenue NW
Edmonton, AB, Canada T5H 4C8

Phone: 780.708.0730
Email: franchise@rayacom.com



Ernst & Young
Entrepreneur Of The Year®
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VANCOUVER . BURNABY . KELOWNA . EDMONTON . CALGARY
RED DEER . SASKATOON . REGINA . TORONTO

RAYACOM™

PRINT + DESIGN

FRANCHISE INFORMATION PACKAGE



The franchisee will operate a full service print and design centre utilizing the trade name, procedures and trade secrets provided by Rayacom International Inc.

Expect more than print.™

RAYACOM OPPORTUNITY

The visual communication industry is exploding. Be a part of the \$140 billion dollar print and publishing industry.

Take control of your own financial future by owning a Rayacom franchise. It has never been easier –nor more desirable. Leading Canadian businesses see Rayacom as a vital resource for creating full range marketing solutions. Rayacom is Canada’s only ecommerce print and design franchisor. Earn money 24/7 with your customers ordering online and picking up products locally at your store. Are you ready to bring Rayacom to your community?

ABOUT THE COMPANY

Rayacom’s successful concept was founded in 2004, focusing on providing businesses with design and marketing services. The company has witnessed rapid growth and heightened interest since its founding. We offer a multitude of services through a wide spectrum of technology, placing us at the leading edge of our competitors. When it comes to print solutions, the one place that people know they can turn to is Rayacom.

It isn’t mandatory for you to have previous knowledge and experience in the printing industry, nor running your own business. Rayacom will provide you with all the training and support you will need to achieve your goals. All that is required of you is your drive to succeed!

The purpose of this information package is to offer insight into our amazing business and franchise. Rayacom’s goal is to enable their franchisees to become as successful as possible through their businesses, and for them to witness the dynamic growth of the Rayacom brand all over the country.

AN INVITING BUSINESS ENVIRONMENT

A Rayacom store’s interior is designed to promote a comfortable, yet professional business environment, with a modern appearance focusing on our products and services. We are typically located in high traffic retail locations for the convenience of our customers. Location sizes range from 900 to 5000 sq. ft. and stores generally engage a full-time staff of one or more employees, including the owner/operator. Hours of operation vary, but locations are typically open Monday-Friday from 9 a.m. to 6 p.m. and Saturday 11 a.m. to 4 p.m.

Rayacom.com is online 24/7, allowing customers to go online, place an order anytime and have their products shipped to them directly or picked up at one of our many locations. The ability to allow customers to order online and manage their previous orders is another competitive advantage that sets Rayacom apart from a traditional print shop.

CONVERT YOUR PRINT OR DESIGN BUSINESS TO A FULL SERVICE RAYACOM CENTER

WHY CONVERT?

If you’re an independent printer or graphic design artist, becoming a part of the Rayacom franchise network may help you strengthen your competitive position, while maintaining your independence. Independent printers or graphic design artists are qualified to join Rayacom according to the following terms:

- You pay an initial franchise fee of only \$5,000 (compared to \$25,000 for a startup franchise). In addition, many of our other fees are waived or refunded.
- Your marketing expenses are shared within our Rayacom network
- For the first year after joining Rayacom, you will be paying reduced royalties.
- In addition, the savings you earn with our purchasing power for paper, inks and large format accessories will compensate the royalty fees.
- You will receive in-depth training in Rayacom proprietary operations and sales systems at our corporate headquarters.
- You can take advantage of our proprietary technology, such as our web ordering system and file management system
- We invest to convert your signage, storefront, lobby and/or customer service areas to the Rayacom décor program and system standards.

“After joining the Rayacom Network I was able to cut down my cost of goods on products such as paper, ink and banner stands by 8%. In addition, Rayacom’s sales and marketing system help grow my company sales by 19% in just 2 years. Its makes sense to join the Rayacom franchise network. Now I have the competitive edge I was looking for.”

CHARLES KOZAK

*Former owner of Accent Printing in Edmonton, AB.
Converted to a Rayacom franchise system*

Awards & Associations



ESTIMATED OPENING COSTS

Although opening costs will vary, you can expect cost to fall within the range outlined below. The Franchise and Site Development Fees are fixed, while the other variables are assessed on a case-by-case basis.

TOTAL COST ESTIMATE

Low \$94 130 High \$222 062

Franchise Fee	\$25 000	\$25 000
Site Development Fee	\$5 000	\$5 000
Rent (2 Months)	\$3 250	\$10 417
Design Fee	\$1 250	\$5 000
Construction	\$13 000	\$62 500
Equipment & Software	\$24 947	\$73 950
IT Services	\$6 150	\$9 500
Furniture & Fixtures	\$3 100	\$10 500
Supplies & Inventory	\$5 751	\$6 299
Initial Marketing	\$3 432	\$9 896
Professional Fees	\$3 500	\$4 000

3 SIMPLE STEPS

TO JOINING THE RAYACOM NETWORK

1. APPLICATION PROCESS

- Submit Preliminary Franchise Application form
- Preliminary Franchise Application is approved by Rayacom International Inc.
- Telephone or personal interview
- Franchise Agreement presented
- Deposit of \$5000 is remitted with application and Personal Financial Statement (except Ontario where the fee may be remitted no earlier than 14 days following the delivery of the disclosure document)

2. APPROVAL PROCESS

- Candidate completes "Franchise Profile"
- Applicants financial information is validated
- Franchise Award Committee reviews application
- Candidate is notified of results
- Franchise Agreement and General Security Agreement is signed, balance of fees are paid

3. BUILD-OUT AND OPENING PROCESS

- Demographic Study Completed
- Site located and Offer To Lease approved
- Exclusive territory approved
- Training scheduled and completed
- Build-out and centre opening



6 WEEK EDUCATION TRAINING SCHEDULE

3 STEPS / 2 WEEKS EACH

1. BUSINESS MANAGEMENT/ ADMIN TRAINING

- How to schedule jobs and organize production flow
- Bookkeeping for the business (cash outs, accounts receivables report, accounts payable reports, customer analysis reports)
- Creating and understanding Financial Statements and budgets
- How to hire and train employees
- Customer Service Responsibilities (entering sales into accounting system, prepress files, walk-in clients, how to deal with customer complaints)
- Product Knowledge Training

2. SALES AND MARKETING TRAINING

- Basic Sales Principles
- Understand leads tracking system and sales follow up methods (email merge, mail merge, phone calls)
- Pricing different leads for print sales
- Implementing an active marketing program
- Following procedures
- Sales and closing orders techniques

3. PRODUCTION TRAINING

- How to design print ads
- How to operate digital print equipment
- How to operate bindery equipment
- Competitive advantage of certain types of printing equipment marketing program
- Paper and Materials used
- Outsourcing to outside vendors (creating purchase orders)

LESSON BREAKDOWN

A. Introduction Orientation

B. Business Planning¹

C. Sales²

D. Goal Setting¹

E. Time Management¹⁺³

F. Pricing²

G. Project Management¹

H. Production³

I. Product/Suppliers³

J. Customer Service /Retention¹⁺²

K. Financial Management¹

L. Marketing²

M. Personnel¹

WHAT A RAYACOM BUSINESS CAN OFFER

EXPERIENCE: When you are awarded with a Rayacom franchise, you are joining a pioneering network with proven results and over 30 years of experience in the printing industry.

BRAND RECOGNITION: A well-known brand name across Canada. In addition, we implement national and local sales and marketing programs to help drive business to your store.

PURCHASING POWER: By joining a network with multiple locations you will benefit from our expertise in negotiating with vendors and sourcing products from all over the world. You will receive favourable rates on products and supplies for your company.

TRAINING AND ASSISTANCE: When you join the Rayacom network you will receive training and support from our head office and our local area franchisees. Our area teams are experienced retail operators and are available to assist and guide you as you open and build your franchise.

FINANCING ASSISTANCE: Since we have strong relationships with financial institutions we can assist you in getting you the required capital you need to own your own Rayacom business.

REAL ESTATE DEVELOPMENT: Rayacom Group has a subsidiary real estate holding company with extensive experience in buying and leasing the most sought after real estate locations across Canada. By combining market research, field experience, and local knowledge, we establish the optimum opportunities available to you, and take you through the process of securing your franchise location.

TECHNOLOGY DEVELOPMENT AND SUPPORT: Our innovative team will provide you with expert advice on emerging business trends and technology. Throughout the years, our IT team significantly improved our business and maximized our profits by sourcing and implementing the ideal technology in our stores. Also, by joining the Rayacom network you will have access to the benefits of our online store.

