

# Profit Equation<sup>SM</sup> Planner

	<u>Current</u>	<u>What If Change</u>	<u>Result</u>
Existing # Customers	1,500	1,500	1,500
+ Acquisition Rate	10.00%	10.00%	10.00%
- Attrition Rate	10.00%	10.00%	10.00%
<b>Total # Customers</b>	1,500	1,500	1,500
x Frequency	20	20	20
x Average \$ale	13.00	13.00	13.00
<b>Total Revenue</b>	390,000	-	<b>390,000</b>
<b>Effectiveness</b>			
Cost of Goods Sold	234,000	-	234,000
<b>Gross Profit</b>	<b>156,000</b>	-	<b>156,000</b>
Gross Margin	40.0%	40.0%	40.0%
<b>Fixed expenses</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>
<b>Net Operating Income</b>	<b>81,000</b>	<b>\$ -</b>	<b>81,000</b>

Average Number of Years Served

3

5

Lifetime Value of Incremental Increase

**\$ -**