

Please fill out only this input sheet - figures in green (other figures will be automatically generated)

	Existing	Target	Pro-IMS
	\$	\$	\$
Sales	250,000	446,842	426,250
Total costs	264,762		
Profit (A)	(14,762)	30,000	35,192
Capital invested (B)	150,000	150,000	150,000
ROE (A)/(B)	-10%	20%	23%

Calculating target contribution

	Existing	Target	Pro-IMS
	\$	\$	\$
Sales	250,000	446,842	426,250
Variable cost	183,382		
Contribution	66,618	119,071	124,263
Fixed cost	81,380	89,071	89,071
Net profit	(14,762)	30,000	35,192

Marketing Channel	Head office sales	Branch sales	Direct marketing

Please fill this out only after completing ' marketing strategy profitability'

	Head office sales		Branch sales		Direct marketing		Total	
	Existing	Target	Existing	Target	Existing	Target	Existing	Target
Channel sales %	33%	10%	33%	60%	34%	30%	100%	100%
Channel cost %	35%	15%	27%	50%	38%	35%	100%	100%
Potential market	10,000	9,000	50,000	40,000	1,000,000	500,000	1,060,000	549,000
Sales leads	200	300	1,000	2,500	4,500	5,000	5,700	7,800
No of sales	15	35	75	175	22	55	112	265
Average sale	5,500	1,218	1,100	1,461	3,864	2,325		
Average contribution	1,229	272	353	469	987	594		

Cost component	Head office sales		Branch sales		Direct marketing		Total	
	Existing	Target	Existing	Target	Existing	Target	Existing	Target
Sales	82,500	42,625	82,500	255,750	85,000	127,875	250,000	426,250
Sales units							-	-
Variable costs								
Material cost	35,000		25,364		25,418		85,782	-
Delivery cost	25,415		25,412		25,418		76,245	-
Packing cost	3,652		5,245		12,458		21,355	-
Total variable cost	64,067	33,101	56,021	173,665	63,294	95,220	183,382	301,987
Contribution	18,433	9,524	26,479	82,085	21,706	32,655	66,618	124,263
	22%	22%	32%	32%	26%	26%	27%	29%
Fixed costs								
Rent and rates	2,283	2,295	1,305	1,913	2,936	3,443	6,524	7,650
Depreciation	4,741	4,064	2,709	3,387	6,096	6,096	13,546	13,546
Machinery maintenance	2,284	2,360	1,305	1,966	2,937	3,539	6,526	7,865
Vehicle maintenance	4,391	4,064	2,509	3,387	5,646	6,096	12,546	13,546
Salaries	12,479	11,766	7,131	9,805	16,044	17,649	35,654	39,219
Other fixed costs	2,304	2,174	1,317	1,811	2,963	3,260	6,584	7,245
Total fixed costs	28,483	26,721	16,276	22,268	36,621	40,082	81,380	89,071
Channel profits	(10,050)	(17,198)	10,203	59,817	(14,915)	(7,427)	(14,762)	35,192
Total cost	92,550	59,823	72,297	195,933	99,915	135,302	264,762	391,058
Total cost %	35%	15%	27%	50%	38%	35%	100%	100%

Fixed costs apportionment

	Existing	Target	Existing	Target	Existing	Target	Existing	Target	Existing \$	Target \$
Rent and rates	35%	30%	20%	25%	45%	45%	100%	100%	6,524	7,650
Depreciation	35%	30%	20%	25%	45%	45%	100%	100%	13,546	13,546
Machinery maintenance	35%	30%	20%	25%	45%	45%	100%	100%	6,526	7,865
Vehicle maintenance	35%	30%	20%	25%	45%	45%	100%	100%	12,546	13,546
Salaries	35%	30%	20%	25%	45%	45%	100%	100%	35,654	39,219
Other fixed costs	35%	30%	20%	25%	45%	45%	100%	100%	6,584	7,245
									81,380	89,071

Calculating Target ROE

	Existing		Target		Pro-IMS	
	\$	%	\$	%	\$	%
Sales	250,000	100%	446,842	100%	426,250	100%
Total costs	264,762	106%				
Profit (A)	(14,762)	-6%	30,000	7%	35,192	8%
Capital invested (B)	150,000		150,000		150,000	
ROE (A)/(B)	-10%		20%		23%	

Calculating marketing strategy profitability

	Head office sales	Branch sales	Direct marketing	Total
Channel V cost (A)	64,067	56,021	63,294	183,382
Sales Leads (B)	200	1,000	4,500	5,700
No of sales	15	75	22	112
VC per sale	4,271	747	2,877	7,895
Average sales	5,500	1,100	3,864	10,464
Average contribution	1,229	353	987	2,569
Contribution cost ratio	0.22	0.32	0.26	
Sales mix	10%	60%	30%	100%

Profit impact marketing strategies template

Marketing strategy	Head office sales		Branch sales		Direct marketing		Total	
	Existing	Target	Existing	Target	Existing	Target	Existing	Target
Potential market	10,000	9,000	50,000	40,000	1,000,000	500,000	1,060,000	549,000
Sales leads	200	300	1,000	2,500	4500	5000	5,700	7,800
Lead generation ratio	2%	3%	2%	6%	0%	1%		
No of sales	15	35	75	175	22	55	112	265
Conversion ratio	8%	12%	8%	7%	0%	1%		
Average planned sales	5,500	4,500	1,100	750	3,864	2,500	10,464	7,750
Average sales required		1,218		1,461		2,325		5,004
Average contribution	1,229	272	353	469	987	594	2,569	1,335
Annual total contribution	18,433	9,524	26,479	82,085	21,706	32,655	66,618	124,263
Sales thro' template		157,500		131,250		137,500		426,250
Sales required		44,684		268,105		134,053		446,842

Marketing channel statistics

	Sales mix %	Variable cost %	Total cost %	variance %
Head office sales	10%	11%	15%	-5%
Branch sales	60%	58%	50%	10%
Direct marketing	30%	32%	35%	-5%
Total	100%	100%	100%	