

Use this worksheet to assess profitability of a given product/service, based upon the cumulative potential revenue generated through each sales channel. Unit Sales can be entered per month or per year (any time frame) as long as you are consistent throughout. Given a variety of variables (mostly sales channel projections), which product(s) will produce more profits faster. Reduces office politics by enabling you and your team to break-down the assumptions to smaller (less arguable) pieces that will collectively establish the product priority.

Product Development / Acquisition Priority

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Assumptions

| | | | |
|-------------------------|--------|-----|------------------------------------------------|
| Total Retail Stores | 1,000 | | |
| Total Direct Customers | 50,000 | | |
| Corporate Customers | 350 | 10% | [Sales Commissions / Alliance Partner's Share] |
| International Resellers | 140 | 15% | [International Consultants] |

| Product Title | Development Plan | Dept. | Street Price | (1) | | | (2) | | (3) | | COGS or Royalty | (4) | (5) | (6) | SORT HERE | Profit / Simplicity | Acquisition Cost | Additional Cost to Customize | Annualized Gross Profit Less Costs |
|---------------|-------------------------|----------|--------------|-----------------|--------------------------------|--------------------------|------------------------------------|---------------------------------|--------------------------------|-----------------------------|-----------------|------------|-------|--------------|-----------|---------------------|------------------|------------------------------|------------------------------------|
| | | | | Unit Whlse Cost | Projected Unit Sales Per Store | Estimated Retail Revenue | Projected International Unit Sales | Estimated International Revenue | Projected Corporate Unit Sales | Estimated Corporate Revenue | | | | | | | | | |
| Product A | Build from scratch | HR | \$ 195 | \$ 145.00 | 1.0 | \$ 145,000 | 1.0 | \$ 17,255 | 1.0 | \$ 61,425 | 1.0% | \$ 97,500 | 20.0% | \$ 247,680 | 1 | 247,680 | \$ - | \$ 25,000 | \$ 2,947,160 |
| Product B | License from [Inventor] | Sales | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 20.0% | \$ 161,813 | 1 | 161,813 | \$ - | \$ - | \$ 1,941,750 |
| Product C | License from [Company] | HR | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 20.0% | \$ 137,413 | 1 | 137,413 | \$ - | \$ - | \$ 1,648,950 |
| Product D | | Sales | \$ 30 | \$ 15.00 | 1.0 | \$ 15,000 | 1.0 | \$ 1,785 | 1.0 | \$ 9,450 | 1.0% | \$ 15,000 | 15.0% | \$ 91,735 | 1 | 91,735 | \$ - | \$ (55,000) | \$ 1,155,820 |
| Product E | | Finance | \$ 49 | \$ 27.50 | 1.0 | \$ 27,500 | 1.0 | \$ 3,273 | 1.0 | \$ 15,435 | 1.0% | \$ 24,500 | 0.0% | \$ 70,708 | 1 | 70,708 | \$ - | \$ - | \$ 848,490 |
| Product F | Convert [Product D] | HR | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 5.0% | \$ 130,713 | 2 | 65,356 | \$ - | \$ 25,000 | \$ 1,543,550 |
| Product G | Convert [Product A] | Admin | \$ 39 | \$ 20.00 | 1.0 | \$ 20,000 | 1.0 | \$ 2,380 | 1.0 | \$ 12,285 | 1.0% | \$ 19,500 | 0.0% | \$ 54,165 | 1 | 54,165 | \$ - | \$ - | \$ 649,980 |
| Product H | New engine / updates | Mgmt | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 10.0% | \$ 161,813 | 3 | 53,938 | \$ - | \$ - | \$ 1,941,750 |
| Product I | | Mgmt | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 5.0% | \$ 105,713 | 2 | 52,856 | \$ - | \$ 50,000 | \$ 1,218,550 |
| Product J | Book series | Mgmt | \$ 29 | \$ 20.00 | 1.0 | \$ 20,000 | 1.0 | \$ 2,380 | 1.0 | \$ 9,135 | 1.0% | \$ 14,500 | 10.0% | \$ 46,015 | 1 | 46,015 | \$ - | \$ - | \$ 552,180 |
| Product K | update/Add database | Sales | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 10.0% | \$ 126,813 | 3 | 45,604 | \$ - | \$ 25,000 | \$ 1,616,750 |
| Product L | New title | HR | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 10.0% | \$ 124,613 | 3 | 41,538 | \$ - | \$ 25,000 | \$ 1,470,350 |
| Product M | | Sales | \$ 195 | \$ 145.00 | 1.0 | \$ 145,000 | 1.0 | \$ 17,255 | 1.0 | \$ 61,425 | 1.0% | \$ 97,500 | 10.0% | \$ 146,930 | 4 | 36,733 | \$ 100,000 | \$ 50,000 | \$ 1,613,160 |
| Product N | Toy spin-offs | Finance | \$ 29 | \$ 14.00 | 1.0 | \$ 14,000 | 1.0 | \$ 1,666 | 1.0 | \$ 9,135 | 1.0% | \$ 14,500 | 10.0% | \$ 36,451 | 1 | 36,451 | \$ - | \$ - | \$ 437,412 |
| Product O | Acquire from [Company] | Finance | \$ 49 | \$ 27.00 | 1.0 | \$ 27,000 | 1.0 | \$ 3,213 | 1.0 | \$ 15,435 | 1.0% | \$ 24,500 | 10.0% | \$ 70,148 | 2 | 35,074 | \$ - | \$ - | \$ 841,776 |
| Product P | | Finance | \$ 99 | \$ 72.50 | 1.0 | \$ 72,500 | 1.0 | \$ 8,628 | 1.0 | \$ 31,185 | 1.0% | \$ 49,500 | 10.0% | \$ 61,813 | 2 | 30,906 | \$ - | \$ 100,000 | \$ 641,750 |
| Product Q | | Finance | \$ 49 | \$ 27.00 | 1.0 | \$ 27,000 | 1.0 | \$ 3,213 | 1.0 | \$ 15,435 | 1.0% | \$ 24,500 | 10.0% | \$ 14,998 | 2 | 7,499 | \$ - | \$ 50,000 | \$ 129,976 |
| Product R | | Personal | \$ 49 | \$ 27.50 | 1.0 | \$ 27,500 | 1.0 | \$ 3,273 | 1.0 | \$ 15,435 | 1.0% | \$ 24,500 | 0.0% | \$ (29,293) | 4 | (7,323) | \$ - | \$ 100,000 | \$ (451,510) |
| | | | | 0.0 | | \$ - | | \$ - | | \$ - | 0.0% | \$ - | | \$ - | 1 | \$ - | \$ - | \$ - | \$ - |
| Total | | | | | 0.0 | \$ - | | \$ - | | \$ - | 0.0% | \$ - | | \$ - | 1 | \$ - | \$ - | \$ - | \$ - |
| | | | | | | | | \$ 124,712 | | \$ 474,075 | | \$ 752,500 | | \$ 1,770,237 | | \$ 100,000 | \$ 395,000 | \$ 20,747,844 | |

1) Total retail stores x Wholesales Cost x Units sold / store

2) We have factored in the global potential for our product/service

3) Company sells Direct at Street Price

4) Costs of Goods Sold and / or Royalties paid to product developers

5) Total revenue less sales commissions, partner fees and royalties.

6) "Subjective Simplicity" enable you to factor in the relative costs, difficulties, etc. to develop / marketing this product / service -- some products may generate lower profit, but may be ready to sell now, while a more profitable product will take more effort and time.

This measure simply enable us to determine the "low hanging fruit"

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