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

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	Unit Whlse Cost	Projected Unit Sales Per Store (1)	Estimated Retail Revenue	Projected International Unit Sales (2)	Estimated International Revenue	Projected Corporate Unit Sales	Estimated Corporate Revenue	Projected Customer Response	Estimated Direct Revenue (3)	COGS or Royalty (4)	Potential Monthly Gross Profit (5)	Subjective Simplicity 1=Simple (6)	Profit / Simplicity (SORT HERE)	Acquisition Cost	Additional Cost to Customize	Annualized Gross Profit Less Costs
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		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	Mgmnt	99	72.50	1.0	72,500	1.0	8,628	1.0	31,185	1.0%	49,500		161,813	3	53,938	-	-	1,941,750
Product I		Mgmnt	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	Mgmnt	29	20.00	1.0	20,000	1.0	2,380	1.0	9,135	1.0%	14,500		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		136,813	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		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		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)
					1.0	-		-		-	0.0%	-		-	1	-	-	-	-
					1.0	-		-		-	0.0%	-		-	1	-	-	-	-
Totals / Averages					**1.00**	**1,048,000**	**1.00**	**124,712**	**1.00**	**474,075**	**0.9%**	**752,500**	**8.8%**	**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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