

Direct Mail Financial Worksheet

Number of Pieces to be Mailed	-
Response Rate Objective	0.00%
Projected Number of Orders	-

Selling Price, Direct Costs and Contribution to Fulfillment & Marketing Costs and Profit

<i>Item</i>	<i>Percentage</i>	<i>Unit Amount</i>	<i>Total Amount</i>
Selling Price of Item		\$0.00	\$0.00
Cost of Goods		0.00	0.00
Direct Overhead as a Percentage of Selling Price	0.00%	0.00	0.00
		<hr/>	
Contribution to Fulfillment & Marketing Costs and Profit		<u>\$0.00</u>	<u>\$0.00</u>

Marketing Cost Assumptions

<i>Cost Item</i>	<i>Cost Per Piece</i>	<i>Total Cost</i>
Mailpiece Production Cost Per Piece	\$0.00	\$0.00
List Rental Cost Per Name	0.00	0.00
Mailing List Preparation Cost Per Name	0.00	0.00
Addressing/Mail Preparation Cost Per Piece	0.00	0.00
Postage	0.00	0.00
Creative Development	<u>Flat Cost Per Campaign</u>	0.00
Total Marketing Cost	\$ _____ -	\$ _____ -

Fulfillment Cost Assumptions

<i>Cost Item</i>	<i>Percentage of Orders</i>	<i>Cost Per Order</i>	<i>Total Cost</i>
Transaction Processing	0%	\$0.00	\$0.00
Inbound Phone	0.00%	0.00	0.00
Credit Card Discount	0.00%	0.00	0.00
Customer Service	0.00%	0.00	0.00
Returns & Exchanges	0.00%	0.00	0.00
Collections & Bad Debt	0.00%	0.00	0.00
Pick & Pack	0%	0.00	0.00
Fulfillment Postage	0%	0.00	0.00
Management	0%	0.00	<u>0.00</u>
Subtotal			0.00
Less Shipping and Handling Fee Charged to Customer		0.00	0.00
Total Fulfillment Cost		<u>\$0.00</u>	<u>\$0.00</u>

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Contribution to Marketing & Fulfillment Costs and Profit	\$0.00
Total Fulfillment Costs	0.00
Total Marketing Costs	<u>0.00</u>
Gross Profit	<u>\$0.00</u>
Cost Per Response	\$0.00
Break-even Level of Unit Sales at Current Unit Price and Cost Levels	-
Break-even Response Rate	0.000%
Return-On-Investment (ROI)	0.00%

Cell: B1

Comment: Here, input the number of pieces you are planning to mail.

Cell: B2

Comment: What response rate do you require to meet your objectives?

Cell: C8

Comment: At what price are you planning on selling your product?

Cell: C9

Comment: Here, input any costs that are directly related to producing your product (on a per-unit basis). This figure, along with "Direct Overhead" below, must reflect all costs associated with the product, before taking into account the cost of running your campaign.

Cell: B10

Comment: On a percentage basis, how much of your revenue from this product needs to be attributed to overhead? This figure, along with "Cost of Goods" above, must reflect all costs associated with the product, before taking into account the cost of running your campaign.

Cell: D12

Comment: This figure represents how much money you will make on the product before taking into account the cost of running the campaign.

Cell: B17

Comment: Depending on how involved your direct mail piece is, this figure can include a number of things such as:

- 1) Studio time for the art director
- 2) Cost of producing film
- 3) Photo/illustration rental costs
- 4) Actual printing costs

If your mailpiece is a complex one, your printer can itemize these costs for you.

Cell: B18

Comment: This figure includes all costs associated with the list rental (including tax), on a per-name basis. It should also include any costs associated with pulling names from your house file (customer database), again, on a per-name basis.

Cell: B19

Comment: How much is your lettershop going to charge you to prepare your list so it is ready to mail? Divide that figure by the number of pieces you wish to mail in order to get the cost-per-name.

Cell: B21

Comment: Talk to your Canada Post representative to get an estimate on the cost of mailing your piece.

Cell: B22

Comment: If your mailpiece is being developed by someone else, input the full cost of this under the "Total Cost" column.

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Cell: C22

Comment: If your mailpiece is being developed by someone else, input the full cost of this here.

Cell: C30

Comment: Put simply, this figure includes all costs associated with processing the order and transferring it to the shipping department.

Cell: C31

Comment: This figure represents the average cost per call for an incoming order.

Cell: C32

Comment: If credit cards can be used to pay for the items, you must allow for the cost of the commission that goes back to the credit card companies. This is calculated on a per-unit basis.

Cell: C33

Comment: There is a percentage of your customers who will need additional assistance once their order is placed, or after they have received it. This cost is reflected here, on an average cost-per-call basis.

Cell: C34

Comment: A small percentage of your customers will not be satisfied with your product, and will return it. Here you must account for the returns (the full selling price of the product), plus any costs associated with processing the return (e.g. crediting accounts receivable, shipping costs if applicable, etc.).

Cell: C35

Comment: A small percentage of your customers will either be late in paying, or will refuse to pay. In these cases, there will be extra expense from either collecting the money or writing off the bad debt.

Cell: C36

Comment: This is the expense associated with getting the order ready to be shipped.

Cell: C37

Comment: This is the cost of shipping each order.

Cell: C38

Comment: This figure represents the overhead allocated to manage the fulfillment process on a per item basis.

Cell: C40

Comment: If you are charging the customer an amount to help offset your fulfillment expense, input it here, otherwise input "0".