

Customer Profitability Analysis

[Company Name]

Friday, 16 September, 2016

Gray cells will be calculated for you. You do not need to enter anything into them.

	[Segment Name]	[Segment Name]	[Segment Name]	Overall
Customer Activity:				
Number of active customers—Beginning of period	5	8	8	21
Number of customers added	2	4	4	10
Number of customers lost/terminated	(1)	(2)	(2)	(5)
Number of active customers—End of period	6	10	10	26
Profitability Analysis:				
Revenue per segment	\$1,500,000	\$1,800,000	\$2,500,000	\$5,800,000
Weighting	26.9%	31.0%	43.1%	100.0%
Cost of sales:				
Ongoing service and support costs	\$1,000,000	\$1,400,000	\$1,400,000	\$3,800,000
Other direct customer costs	200,000	100,000	100,000	400,000
Total cost of sales	\$1,200,000	\$1,500,000	\$1,500,000	\$4,200,000
Gross margin	\$300,000	\$300,000	\$1,000,000	\$1,600,000
Weighting	18.8%	18.8%	62.5%	100.0%
Other costs:				
Customer acquisition	\$105,000	\$120,000	\$235,000	\$460,000
Customer marketing	150,000	125,000	275,000	550,000
Customer termination	80,000	190,000	140,000	410,000
Total other customer costs	\$335,000	\$435,000	\$650,000	\$1,420,000
Customer profit by segment	(\$35,000)	(\$135,000)	\$350,000	\$180,000
Weighting	0.0%	0.0%	100.0%	100.0%