

## **To Buy or Not To Buy, That is The Question**

Excerpted, with permission, from Gropen Assoc. DIY Profit Analysis package

### **Expenses as % of Revenue**

Book Title: **Manuscript Under Consideration**

	<u>Case A</u>	<u>Case B</u>	<u>Case C</u>
<b><u>Sales</u></b>			
Gross Sales, List	235.3%	300.0%	235.3%
Returns at List	35.3%	100.0%	35.3%
Net at List	200.0%	200.0%	200.0%
Less Discount	100.0%	100.0%	100.0%
<b><u>Subtotal: Net Sales</u></b>	100.0%	100.0%	100.0%
<b><u>Cost of Selling</u></b>			
Sales Commissions	18.0%	18.0%	18.0%
Fulfillment	0.0%	0.0%	0.0%
<b><u>Cost of Goods Sold</u></b>			
PPB for total run	18.9%	87.7%	27.6%
Royalties	7.5%	25.1%	7.9%
Plant	6.6%	45.1%	11.0%
<b><u>Other Costs</u></b>			
Marketing	5.2%	15.0%	4.7%
Other Costs, % of sales	0.0%	0.0%	0.0%
Other Costs, % of net sales, after disct	0.0%	0.0%	0.0%
<b><u>Subtotal: Costs</u></b>	56.1%	190.9%	69.3%
<b><u>Contribution from Copy Sales</u></b>	43.9%	-90.9%	30.7%
<b><u>Rights Revenue</u></b>			
Less Author's Share	0.2%	0.0%	0.0%
Net Proceeds	0.2%	0.0%	0.0%
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<b><u>Contribution to Overhead and Profit</u></b>	44.1%	-90.9%	30.7%