SINGLE BOOK SCENARIOS

Modify only blue shaded cells to test assumptions, Scenario cell has options 1, 2, 3, & 4 for dropoff rates of new book sales

Suggested Retail Price		$100
Actual Sale Price	95%	$95
Wholesale Price	60%	$60
Per Physical Book Publisher Cost		$5
eText Fee (% of Retail)	35%	$35.00
Platform Fee (If any, 1st book only)		$0

% Students Sellback Success		30%
Sellback Price (% of Purchase)		50%
Used Price	60%	$60

Scenario # (1,2,3, or 4)	2

Scenarios vary in how fast new books dropoff in sales over 3 years, Assumption table below

SUMMARY:	
Publisher Net $	$ 1,292,500
eText Net $	$ 2,310,000
Student Savings	38.0%

Medium Dropoff Model

		Year 1			Year 2			Year 3		
		Fall	**Spring**	**Summer**	**Fall**	**Spring**	**Summer**	**Fall**	**Spring**	**Summer**
66,000	Enrollment for a Req Book >	10,000	10,000	2,000	10,000	10,000	2,000	10,000	10,000	2,000
	% of Students Buying New >	**81%**	**60%**	**40%**	**30%**	**20%**	**15%**	**15%**	**15%**	**15%**
	% of Students Buying Used >	9%	30%	50%	60%	70%	75%	75%	75%	75%
	% of Students Not Buying >	10%	10%	10%	10%	10%	10%	10%	10%	10%

											Total Revenue
	Revenue to Publisher										
	Current Model	$ 486,000	$ 360,000	$ 48,000	$ 180,000	$ 120,000	$ 18,000	$ 90,000	$ 90,000	$ 18,000	$ 1,410,000
	Current Model Est. Gross Margin	*$ 445,500*	*$ 330,000*	*$ 44,000*	*$ 165,000*	*$ 110,000*	*$ 16,500*	*$ 82,500*	*$ 82,500*	*$ 16,500*	***$ 1,292,500***
	eTexts Fee Model	$ 350,000	$ 350,000	$ 70,000	$ 350,000	$ 350,000	$ 70,000	$ 350,000	$ 350,000	$ 70,000	**$ 2,310,000**
$4,386,500	**Total Book Sales to Students**										
	New	$ 769,500	$ 570,000	$ 76,000	$ 285,000	$ 190,000	$ 28,500	$ 142,500	$ 142,500	$ 28,500	$ 2,232,500
	Used	$ 54,000	$ 180,000	$ 60,000	$ 360,000	$ 420,000	$ 90,000	$ 450,000	$ 450,000	$ 90,000	$ 2,154,000
$3,728,525	**Net Book Cost if Sell Back**	$ 699,975	$ 637,500	$ 115,600	$ 548,250	$ 518,500	$ 100,725	$ 503,625	$ 503,625	$ 100,725	$ 3,728,525
$2,310,000	**eText Cost to Students**	$350,000	$350,000	$70,000	$350,000	$350,000	$70,000	$350,000	$350,000	$70,000	$2,310,000
$1,418,525	**Student Savings with eTexts**										

$ 56.49	*Net cost per book*		
$ 35.00	*eText cost per book*		
$ 21.49	*Per Book Savings*	*$ 21.49*	*2nd Book Savings*
38.0%	*% Savings*	*38.0%*	*% Savings*

Scenario #s & Percentages		**% of Students Buying a New Book**								
		Year 1			Year 2			Year 3		
Scenario #	**Scenario Title**	**Fall**	**Spring**	**Summer**	**Fall**	**Spring**	**Summer**	**Fall**	**Spring**	**Summer**
1	Slow Dropoff	90%	75%	60%	40%	30%	25%	20%	20%	20%
2	Medium Dropoff	81%	60%	40%	30%	20%	15%	15%	15%	15%
3	Fast Dropoff	**72%**	45%	20%	**20%**	10%	5%	**5%**	5%	5%
4	Bundled Website Code	90%	90%	85%	85%	85%	85%	85%	85%	85%