

worksheet

## DAY 2: Revenue Model

**Define your initial revenue model assumptions** – *see reverse*

**What are the top 3 revenue drivers?**

1.

2.

3.

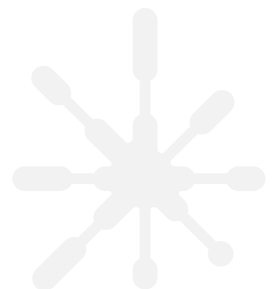
**What are the top 3 cost drivers?**

1.

2.

3.

**How will they likely change (grow) over time?**



## How will you make money? (Revenue Models)

<b>Unit Sales</b>	Sell a product or service to customers (wholesale, retail, or direct)
<b>Advertising Fees</b>	Sell opportunities to distribute messages (viewers, readers, listeners, or others)
<b>Franchise Fees</b>	Sell and support a replicable business for others to invest in, grow, and manage
<b>Utility Fees</b>	Sell goods and services on a per-use basis
<b>Subscription Fees</b>	Charge a fixed price for providing access to your goods or services
<b>Transaction Fees</b>	Charge a fee for referring, enabling or executing a transaction
<b>License Fees</b>	Sell the rights (exclusive or non-exclusive) to use patent- or copyright-protected IP

## How much will you make?

<b>Unit Sales</b>	Price per Unit $\times$ Units Sold
<b>Advertising Fees</b>	Price Per View (or Click; or Action) $\times$ Number of Views (Clicks; Actions)
<b>Franchise Fees</b>	Fee per Franchise (Fixed or % of Sales) $\times$ Number of Franchises
<b>Utility Fees</b>	Price per Unit $\times$ Number of Units Consumed
<b>Subscription Fees</b>	Price per Service (or Length of Time) $\times$ Number of Services (Length of Time) Sold
<b>Transaction Fees</b>	Fee per Transaction $\times$ Number of Transactions
<b>License Fees</b>	Licensing fee (Fixed or % of Sales) $\times$ Number of Licenses

## How much will it cost?

<b>Unit Sales</b>	Development Cost + Cost Per Unit Sold + Cost of Operations
<b>Advertising Fees</b>	Development Cost + Cost of Operations
<b>Franchise Fees</b>	Development Cost + Cost of Operations
<b>Utility Fees</b>	Development Cost + Cost Per Unit Sold + Cost of Operations
<b>Subscription Fees</b>	Development Cost + Cost Per Unit Sold + Cost of Operations
<b>Transaction Fees</b>	Development Cost + Cost of Operations
<b>License Fees</b>	Development Cost + Cost of Operations

