



## ROI Analysis Worksheet

What is your Return On Marketing Investment? Find out by filling in the blanks and doing the math on this worksheet.

- A. Number of starts \_\_\_\_\_
- B. Incremental revenue at an average of \$\_\_\_\_\_ per case (A x B) \$\_\_\_\_\_
- C. Variable overhead @ 15%\* (B x 15%) \$\_\_\_\_\_
- D. Mailing cost \$\_\_\_\_\_
- E. Incremental profit (B-C-D) \$\_\_\_\_\_
- F. Return On Investment (E ÷ D) \_\_\_\_\_%

\* In OREC's 2005 publication The Direct Marketing of Orthodontics Dean Bellavia, Ph.D., M.S. uses fixed and variable overhead calculations when calculating Return On Marketing Investment. "On average for a typical practice grossing \$1,000,000 per year, the average net is about 45% of collections. Studies have shown that this 55% overhead is 85% to 90% fixed (occupancy, staffing, services, etc.) and 15% variable (clinical/clerical supplies and lab). This means that for every extra \$1,000 the doctor gets to keep \$850 because for every extra start he/she is only paying for the supplies and lab overhead; the rest is already paid for."