

From: Peta
To: Deanna
Subject: Tablet Price Update

Hello Deanna,

I want to bring to your attention a change in tablet pricing from our contract with Terrific Tablets. We had budgeted \$200 per tablet for 40 tablets for a total one time cost of \$8,000. They have now shifted to a subscription-based pricing which includes hardware, software, support, customization, and POS integration for a monthly fee of \$300 for all 40 tablets. That is a yearly cost of \$3,600.

There will be some initial savings with the new price structure. However, it is a recurring expense that we did not budget and will cause conflict with our OKR goal of running an efficient, profitable business and keep operating expenses below 65% and our profit margins above 8%. But I strongly believe we should go with the new model as the new pricing includes support and software upgrade, which we will need down the road.

We will appreciate if you could provide us with your guidance. Also, we will need your sign-off to move ahead with the new contract with Terrific Tablets.

Best regards,

Peta