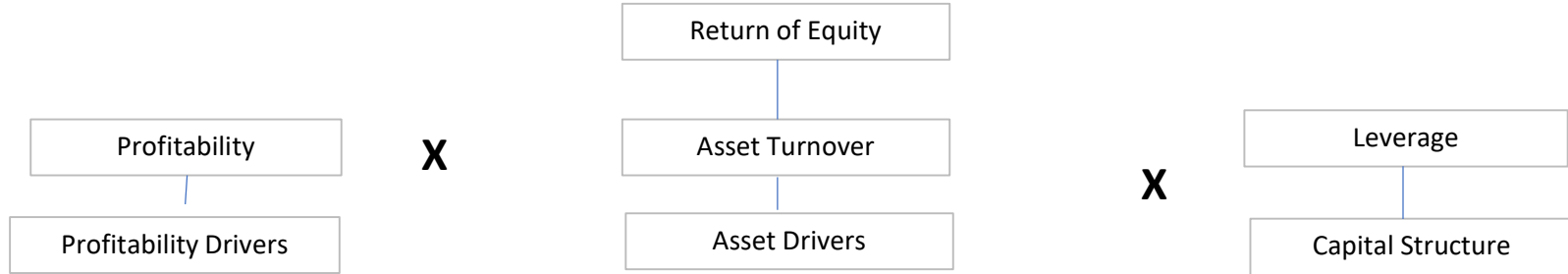


**Recap - Finished Goods 2018**

	<b><u>Line Items</u></b>	<b><u>Value</u></b>	<b><u>% Total</u></b>
Total Finished Goods	40	74,674,201	100%
Top Quartile	10	65,475,645	88%
Pareto(80/20)	8	59,802,445	80%
Mean(Average)		1,866,855	
Median		396,251	
Standard Deviation		3,352,101	

## Return On Equity Analysis



$$\text{ROE(Net Income/Equity)} \quad 25.3\% \quad = \quad \frac{4,550}{18,000}$$

Profitability 4.6%		
	\$	%
Sales	100,000	100.0%
Cos	55,000	55.0%
Gross Margin	45,000	45.0%
R&D	11,000	11.0%
Marketing	7,000	7.0%
Selling	12,000	12.0%
G&A	8,000	8.0%
Total Expenses	38,000	38.0%
Operating Income	7,000	7.0%
Income Taxes	2,450	2.5%
Net Income	4,550	4.6%

X

Asset Turnover 1.45 X		
	Balance	% of Sales
Cash	12,000	12%
Receivables	21,000	21%
Inventory	17,000	17%
Other	1,200	1%
Total Current Assets	51,200	51%
Property & Equipment	15,000	15%
Goodwill & Intangibles	1,500	2%
Other	1,500	2%
Total Assets	69,200	69%
Asset Turnover(Sales/Asset)	1.45	
DSO:	76.7	
DSI:	112.8	

X

Leverage 3.8 X	
<b>Liabilities</b>	
Accounts Payable	10,500
Accrued Expenses	10,700
Long Term Debt	8,800
Total Liabilities	30,000
Shareholders Equity	18,000
Liabilities & Equity	78,000
Leverage (Assets/Shareholders Equity)	3.8

## Activity Based Cost Analysis

### Order Processing and Customer Service

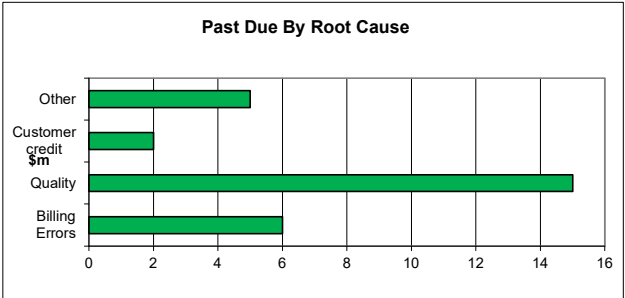
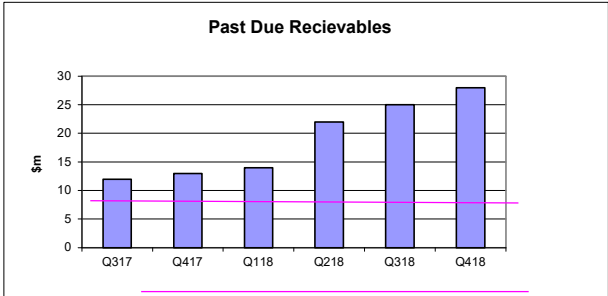
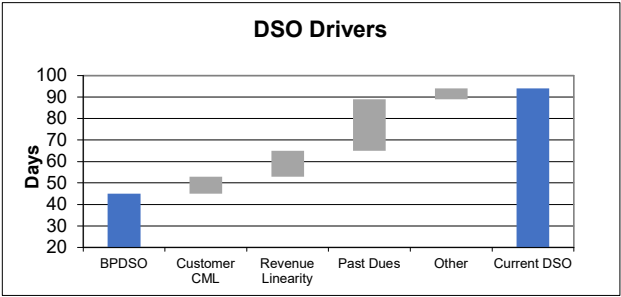
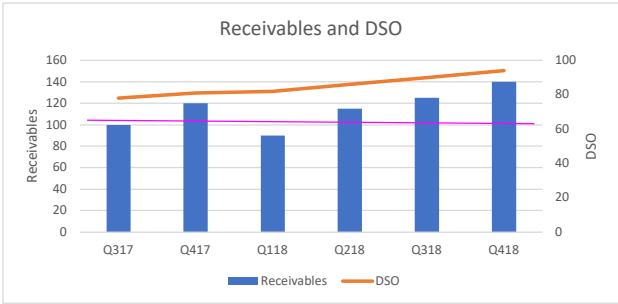
Order Processing and Billing (OPB)	1,200,100
Customer Service	750,000
Total	<u>1,950,100</u>

	Allocation			#	Average		Return		
	<u>Sales</u>	<u>% Total</u>	<u>on Sales \$</u>	<u>Invoices</u>	<u>% Total</u>	<u>Transaction</u>	<u>Returns</u>	<u>% Total</u>	<u>Rate</u>
Product Line 1	1,500,100	3%	56,519	862	11%	1,740	20	2%	2.3%
Product Line 2	2,105,000	4%	79,310	410	5%	5,134	61	6%	14.9%
Product Line 3	1,200,600	2%	45,235	600	8%	2,001	41	4%	6.8%
Product Line 4	8,001,000	15%	301,455	1600	20%	5,001	15	1%	0.9%
Product Line 5	4,200,500	8%	158,263	2300	29%	1,826	40	4%	1.7%
Product Line 6	12,400,500	24%	467,215	260	3%	47,694	12	1%	4.6%
Product Line 7	6,000,000	12%	226,063	525	7%	11,429	28	3%	5.3%
Product Line 8	14,750,000	28%	555,738	300	4%	49,167	1	0%	0.3%
Parts	1,600,486	3%	60,302	1000	13%	1,600	800	79%	80.0%
Total	51,758,186	100%	<u>1,950,100</u>	7,857	<u>100%</u>	6,588	1,018	100%	<u>13.0%</u>

### Costs assigned based on Activity Measures

	OPB Cost		Service		Comparison		
	<u>% Invoices</u>	<u>Assignment</u>	<u>% Returns</u>	<u>Assignment</u>	<u>Total Assigned</u>	<u>Allocated Sales \$</u>	<u>Change</u>
Product Line 1	11.0%	131,664	2.0%	14,735	146,399	56,519	89,880
Product Line 2	5.2%	62,625	6.0%	44,941	107,566	79,310	28,255
Product Line 3	7.6%	91,646	4.0%	30,206	121,852	45,235	76,617
Product Line 4	20.4%	244,388	1.5%	11,051	255,440	301,455	(46,015)
Product Line 5	29.3%	351,308	3.9%	29,470	380,778	158,263	222,515
Product Line 6	3.3%	39,713	1.2%	8,841	48,554	467,215	(418,661)
Product Line 7	6.7%	80,190	2.8%	20,629	100,819	226,063	(125,244)
Product Line 8	3.8%	45,823	0.1%	737	46,560	555,738	(509,178)
Parts	12.7%	152,743	78.6%	589,391	742,134	60,302	681,832
Total	100.0%	1,200,100	100.0%	750,000	1,950,100	1,950,100	-

Revenue Process Accounts Receivable Analysis



Goal