

Libey Incorporated

Metrics Protocol for Performance Review ©

Reviews of catalog companies require 3-5 years of financial statements; 3-5 years of circulation and mail plans, including total customer and prospect mailings and response data; and 3-5 years of customer counts showing totals for each year in the 12 month, 24 month and 36 month plus customer files.

Additionally, the following are the 95 most critical analyses for a thorough review, findings and recommendations regarding a catalog company's performance. Note: * ***Indicates Information considered essential for review of performance.***

CUSTOMERS

- * 1) Customer average and median acquisition cost, to the penny; by catalog, web site and other channels
- * 2) Customer average and median lifetime net profit, to the penny; by catalog, web site and other channels
- * 3) Customer average and median lifetime net sales, to the penny; by catalog, web site and other channels
- 4) Customer line items per order;
- * 5) Customer average and median order value, to the penny; by catalog, web site and other channels
- * 6) Orders per customer per year; by catalog, web site and other channels
- * 7) Average customer recency in days;
- * 8) Average customer frequency in days;
- * 9) Average customer monetary value in dollars;

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- * 10) Customer returns as a percentage of sales and of customer sales;
- 11) Customer allowances as a percentage of sales and of customer sales;
- * 12) First-time buyer average net profit, to the penny; by catalog, web site and other channels
- 13) First-time buyer average net sales, to the penny; by catalog, web site and other channels
- 14) First-time buyer line items per order;
- * 15) First-time buyer average and median order value; by catalog, web site and other channels
- 16) First-time buyer returns as a percentage of first-time sales;
- 17) First-time buyer allowances as a percentage of first-time sales;
- * 18) Customer counts in each of the top 10 customer SIC codes (business-to-business only). Otherwise, 3-5 successive years of customer counts in the 12 month, 24 month and 36 month plus files and total customer counts.
- * 19) Customer average retention rate in months;
- 20) Customer average retention rate in months by top 10 customer SIC codes (business-to-business only). Otherwise, customer retention rate in months in the 12 month, 24 month and 36 month files.
- 21) Customer penetration rate as a percentage, by market or SIC;
- 22) Customer average and median orders per year by

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market or SIC;

- 23) Customer average and median order value by market or SIC;
- 24) Customer sales by market or SIC;
- * 25) Customer net profit by market or SIC; by catalog, web site and other channels
- 26) Customer line items per order by market or SIC;
- 27) Customer average retention rate in months by market or SIC;
- * 28) Total sales per employee;

CATALOGS (to the extent possible, provide information for catalog and web site channels as separate metrics)

- * 1) Total catalogs mailed annually for the last 3-5 years and the mailing plan each year;
- * 2) Total cost per catalog mailed;
- * 3) Creative cost per catalog mailed;
- * 4) Print production cost per catalog mailed;
- * 5) Postage cost per catalog mailed;
- * 6) List cost per catalog mailed;
- 7) Cost per page;
- 8) Cost per square inch;
- 9) Total number of products per page;

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- 10) Total number of pages per catalog;
- 11) Net sales per catalog;
- 12) Net sales per page;
- 13) Net sales per square inch;
- * 14) Net profit per catalog;
- 15) Net profit per page;
- 16) Net profit per square inch;
- * 17) Customer catalogs as a percentage of total mailings;
- * 18) Prospect catalogs as a percentage of total mailings;
- * 19) Customer net sales per catalog;
- * 20) Prospect net sales per catalog;
- 21) Customer net sales per page;
- 22) Prospect net sales per page;
- 23) Customer net sales per square inch;
- 24) Prospect net sales per square inch;
- * 25) Customer net profit per catalog;
- * 26) Prospect net profit per catalog;
- 27) Customer net profit per page;
- 28) Prospect net profit per page;
- 29) Customer net profit per square inch;
- 30) Prospect net profit per square inch.

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PRODUCTS

- * 1) Net profitability per product per catalog;
- 2) Net profitability per product per square inch per catalog;
- * 3) Percent new products per catalog;
- 4) Percent existing products per catalog;
- * 5) Percent products classified as introductory, growth, mature, declining;
- * 6) Average net margin per product per catalog;
- 7) Average net margin of all products;
- * 8) Average net margin of all new products;
- * 9) Average net margin of all existing products;
- * 10) Number of products making up the top 20% of all net profits;
- 11) Number of products making up the top 20% of all sales;
- * 12) Average total inventory turns;
- 13) Average total inventory turns per product;
- 14) Average total inventory turns of those products making up the 20% of all net profits;

FULFILLMENT

- * 1) Average cost to warehouse, pick, pack an order;
- 2) Average cost per order for MIS;

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- 3) Average cost to take and process an order;
- * 4) Average and median total cost to fulfill an order (1-3 combined) by catalog, web site and other channels
- 5) Average orders per day;
- * 6) Average telephone calls per day;
- 7) Average mail orders per day;
- 8) Average fax orders per day;
- * 9) Average on-line orders per day;
- 10) Average total cost to process a telephone order;
- * 11) Average total cost to process a mail order;
- 12) Average total cost to process a fax order;
- * 13) Average total cost to process an on-line order;
- 14) Average fill rate;
- 15) Average backorder rate;
- 16) Average number of days in backorder;
- 17) Average number of backorders waiting;
- 18) Average number of split shipments;
- 19) Average number of complete (single) shipments;
- 20) Average total number of fulfillment hours (days);
- 21) Average incremental cost of backorders;
- 22) Average hours (days) order is in-house before it is

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received in fulfillment;

- 23) Average cost to process a return order;

Provide as much of the above information as possible (where known, it can simply be noted or written in the margins of this protocol). For financial statements and circulation and response history, please provide the information in summary Excel spreadsheets as attachments to e-mail.

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