

# Evernote Breakout Exercise 1

Evernote is evaluating two product line scenarios, described on page 9 of the case. Which should the company pursue? Consider financial projects (Table 6 – below), product attributes, Evernote’s customer proposition and its growth strategy

**Table 6** Financial Model Projections: Future Projected Values Indexed to Current Levels

Scenario 1				
	Current	Price Increases & Device Constraint Only		
		<u>12 Month</u>	<u>24 Month</u>	<u>36 month</u>
Registered Users	150 M (100)	102	103	105
MAU	20 M (100)	106	120	130
Number of Paying Subscribers	1 M (100)	108	110	120
Monthly Recurring Revenue	\$5 M (100)	130	140	150
Scenario 2				
		Price Increases & Device + Notes Constraint		
Registered Users	150 M (100)	100	100	100
MAU	20 M (100)	90	85	80
Number of Paying Subscribers	1 M (100)	130	140	150
Monthly Recurring Revenue	\$5 M (100)	160	175	190

Source: Company documents.

Note: Specific projection numbers are disguised for company confidentiality; but useful for case discussion purposes.

# Pros and Cons

Scenario 1

Scenario 2

# Evernote Breakout Exercise 2

**How should Evernote communicate the price change to its customers?  
With your team, design 5 key elements of the communication strategy.**

1.

2.

3.

4.

5.