

VTE Sample Membership ROI Analysis

The following example demonstrates how a small business can leverage a Velocity Trade Exchange membership for significant growth and return on investment by using new trade dollar revenue to pay for growth initiatives. The revenue and related expenditures shown reflects only NEW items related to their VTE membership, in addition to the member's current revenue and growth related expenses. This demonstration assumes that this member's average per client revenue is \$2,400 / yr (\$200 / mo) and that the member has previously not spent a significant amount on marketing and advertising due to cash constraints. (Note: "T\$" means Trade Dollars).

Sources of <u>New</u> Revenue as a Result of VTE Membership:	Annual Quantity	Annual Revenue Each	Total Annual Revenue
<u>New</u> Trade Clients	15	T\$2,400	T\$36,000
VTE New Member Referral Bonuses – (1 st three)	3	T\$ 50	T\$ 150
VTE additional New Member Referral Bonuses	2	T\$ 100	T\$ 200
<u>New</u> Cash Clients Referred by Trade Clients	10	\$2,400	\$ 24,000
<u>New</u> Clients resulting from advertising and marketing initiatives paid for with trade dollars	10	\$2,400	\$ 24,000
<u>New</u> Clients resulting from new, optimized website paid for with trade dollars	5	\$2,400	\$ 12,000
<u>Additional</u> Clients brought in by sales reps after receiving offsite sales training (# of clients above pre-training average)	10	\$2,400	\$ 24,000
Total <u>New</u> Revenue brought in as a result of VTE Membership:		\$120,350	

Expenditures Related to VTE Membership & Trade Dollars Spent on Growth:	Annual Cash Expenditures	Annual Trade Expenditures
Application Fee – National & Local, "Easy Pay" (Yr 1 ONLY)	\$ 325	
Monthly Accounting Fees (after first \$500 earned)	\$ 180	
Commissions – new local trade sales (T\$24,000)	\$ 1,200	
Commissions – new national trade sales (T\$12,000)	\$ 600	
Broker Fees – local purchases (90% of expenditures)	\$ 675	
Broker Fees – national purchases (10% of expenditures)	\$ 105	
Total VTE Cash Expenses:	\$4,790	
<u>New</u> Advertising paid for with trade dollars		T\$ 5,000
<u>New</u> , optimized website		T\$ 2,000
<u>New</u> sales training seminar for sales reps		T\$ 2,000
<u>New</u> Signage		T\$ 500
<u>New</u> Brochures – Printing		T\$ 2,000
<u>New</u> Graphic Design Services – Design of ads, website template, signage, brochures		T\$ 2,000
<u>New</u> "Branded" clothing with logo		T\$ 500
<u>New</u> Promotional Items		T\$1,000
Total Trade Dollars spent on Growth:		T\$15,000
Total VTE Cash Expenses AND Trade Dollars Spent on growth:	\$19,790	

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Summary – ROI Analysis on VTE Membership	Cash Items	Trade Items
New Trade Dollar Revenue		T\$36,350
Additional <u>New</u> Cash Revenue resulting from VTE Membership	\$84,000	
VTE Cash Fee Expenses	<-\$4,790>	
Total Trade Dollars Spent on <u>New</u> Growth Initiatives		<T\$15,000>
<u>New</u> Cash Profit resulting from VTE Membership	\$79,210	
<u>New</u> Trade Dollar Profit resulting from VTE Membership		\$21,350
<u>Total New Profit</u> resulting from VTE Membership	\$100,560	
VTE cash fees as a percent of profit:	4.7%	
Total VTE & New Growth Related Expenses as a percent of profit:	19.7%	
Total Profitability of VTE Membership:	80.3%	

In summary, this sample member used their Trade Exchange membership to generate BOTH new trade AND new cash business through the opportunities provided to them by Velocity Trade Exchange. They provided their VTE trade clients with excellent customer service, which led the happy VTE members to refer them new cash business. They also wisely spent the bulk of their trade dollars on growth related initiatives such as advertising and marketing, a new fully optimized website, and training for their sales staff.

The result: \$120,350 in NEW revenue and \$100,560 in NEW profit! Their profit margin on the new business attained directly and indirectly through their VTE membership is a whopping 80%...



Before VTE



Joining VTE



With VTE Membership