## Revenue & Gross Margin Walk – Year 1 to Year 2

What is the logic underpinning your revenue and margin "walk" from one period to the next?

Insert your prior year numbers Answer each question with the Revenue and Gross Margin impact from each	Prior Year	REV = \$35,450,000	GM = \$19,497,500
	Will we have customer attrition (closing, merger, lost their business)?	(\$625,000)	(\$343,750)
	Will we cancel any products/services & lose the revenue & GM?	(1,250,000)	(\$687,500)
	Do we project that our business will benefit from a growing market?	+\$1,175,000	+646,250
	Will we generate incremental revenue from price increases?	+\$585,000	<b>a +</b> +585,000
	Will we offer our existing customers something new?	+350,000	\$85,000
	Are we going to get any new customers?	+\$2,350,000	+1,292,500
	What is the impact of adding/subtracting sales resources?	-460,000	-\$125,000
	Are we making any changes to our sales model (i.e.:leasing, SaaS, etc.)?	N/A	N/A
	Are we going to add new products or services?	+\$975,000	+\$536,250
	Are we going to offer any Promotions (i.e.: run "specials")?	+\$500,000	\$275,000
_	TOTAL Projected for New Year	REV = \$39,050,000	GM = \$21,761,250

Key Questions to discuss with your team:

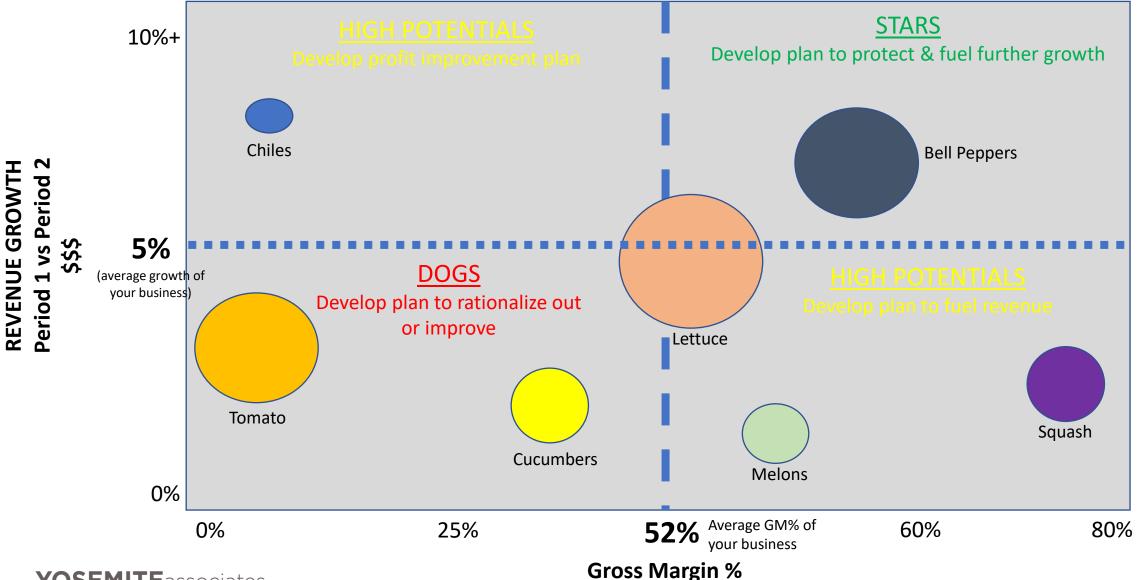
- Do I want to base this on Bookings or Revenues (lag time is reason)
- How will my product/service mix be changing going forward as that will impact my GM
- Is my gross margin higher on the new incremental sales growth?

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Insert your prior year numbers

## **Product (or Service) Portfolio Performance**

Note: This chart shows how product/service categories compare to the average gross margin and average revenue growth of your business. Plot your products (or services) in relationship to your company average. Size of bubble depicts magnitude of revenues. Products and bubble placement for example purposes only.



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