



Customer Acquisition Budget Worksheet

1 Average annual sales per customer

How much does your average customer spend with you in a year?

$$\frac{\text{Annual Sales}}{\text{Total \# of Customers}} = \text{Average Sales per Customer}$$

2 Average gross profit per customer

Raw sales gives you a distorted view of the value of a client. Strip out the markup for raw materials and other costs of goods sold to determine the true annual contribution of an individual client.

Calculate Gross Profit %

$$\frac{\text{Gross Profit}}{\text{Annual Sales}} = \text{Gross Profit \%}$$

Calculate Gross Profit per Customer

$$\text{Average Sales} \times \text{Gross Profit \%} = \text{Average Profit per Customer}$$

3 Lifetime value of a customer

How many years will a customer continue to buy from you? Is your business one and done or have you built in opportunities for repeat purchases.

$$\text{Number of Years} \times \text{Average Profit per Customer} = \text{Lifetime Value}$$

4 Acquisition budget per customer

Ideally your acquisition budget per customer should not exceed 20% of the lifetime value of a customer.

$$20 \% \times \text{Lifetime Value} = \text{Acquisition Budget per Customer}$$

5 Annual acquisition budget

How many new customers do you want this year?

$$\text{Acquisition Budget per Customer} \times \text{\# of New Customers} = \text{Total Acquisition Budget}$$

Once you've determined your budget, now it is time to figure out the best way to spend the money to maximize your results.

For more information, visit our blog or give us a call at 317-569-1396. Together, we'll bring qualified clients right to your door.