



Projected Return on Investment - ROI
 11 X 17 Direct Mail Campaign
 February 2010

LOW-RANGE SCENARIO

| ASSUMPTIONS | | | |
|---|----------|---|---------|
| Type of Direct Mail Piece | 11 X 17 | Patient Revenue - Yr. 1 | \$800 |
| Projected Campaign Cost | \$22,176 | Patient Revenue - Yr. 2 | 600 |
| Cost per Piece | \$0.554 | Patient Revenue - Yr. 3 | 600 |
| Projected Avg. Annual Revenue per Patient - Yr 1 | \$800 | Patient Revenue - Yr. 4 | 600 |
| Projected Avg. Annual Revenue per Patient - Yr 1+ | \$600 | Patient Revenue - Yr. 5 | 600 |
| Allocated Office Overhead Rate | 60.0% | Patient Revenue - Yr. 6 | 600 |
| Discount Rate - Future Revenue | 10% | Patient Revenue - Yr. 7 | 600 |
| Projected Years as New Patient - Years | 7 | Grand Total Revenue | \$4,400 |
| Total Drops | 4 | Avg. Patient Revenue per Yr. | \$629 |
| Households on Mailing List | 10,000 | Avg. Discounted Patient Revenue per Yr. | \$443 |
| Total Pieces Mailed | 40,000 | | |

| Response Rate - % of Households | 1.00% | 1.25% | <-----Typical Results-----> | | | 2.25% | 2.50% |
|---------------------------------|-------|-------|-----------------------------|-------|-------|-------|-------|
| | | | 1.50% | 1.75% | 2.00% | | |

| First Year ROI Projection | 1.00% | 1.25% | 1.50% | 1.75% | 2.00% | 2.25% | 2.50% |
|---------------------------------|----------|----------|----------|----------|----------|-----------|-----------|
| New Patients | 100 | 125 | 150 | 175 | 200 | 225 | 250 |
| Projected Revenue per Patient | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| Total First Year New Revenue | 80,000 | 100,000 | 120,000 | 140,000 | 160,000 | 180,000 | 200,000 |
| Less: Allocated Office Overhead | (48,000) | (60,000) | (72,000) | (84,000) | (96,000) | (108,000) | (120,000) |
| New Patient Profit - First Year | 32,000 | 40,000 | 48,000 | 56,000 | 64,000 | 72,000 | 80,000 |
| ROI - First Year | 1.44 | 1.80 | 2.16 | 2.53 | 2.89 | 3.25 | 3.61 |

| Multiple Year ROI Projection | 1.00% | 1.25% | 1.50% | 1.75% | 2.00% | 2.25% | 2.50% |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| New Patients | 100 | 125 | 150 | 175 | 200 | 225 | 250 |
| Projected Years as Patient | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Average Projected Discounted Revenue per Year | 443 | 443 | 443 | 443 | 443 | 443 | 443 |
| Projected Multiple Year Revenue per Patient | 3,103 | 3,103 | 3,103 | 3,103 | 3,103 | 3,103 | 3,103 |
| Total Multiple Year Discounted Revenue | 310,287 | 387,859 | 465,430 | 543,002 | 620,574 | 698,146 | 775,717 |
| Less: Allocated Office Overhead | (186,172) | (232,715) | (279,258) | (325,801) | (372,344) | (418,887) | (465,430) |
| New Patient Profit - Multiple Years | 124,115 | 155,143 | 186,172 | 217,201 | 248,230 | 279,258 | 310,287 |
| ROI - Multiple Years | 5.60 | 7.00 | 8.40 | 9.79 | 11.19 | 12.59 | 13.99 |

Note: Actual ROI for an individual practice may vary from above projections - results may not be typical