

Decision Tree

Initial Question	Focus/ Size	Format \$ cost per page Number /yr	Projected sales per month from each issue	Expense per issue	Annualized Income (Expected Value)
Which Catalog Strategy to Use?	Full Line (100 pages)	4 color glossy (\$400/pg) 4 per year	\$360,000	\$40,000	$\$360,000 \times 12$ $- \$40,000 \times 4$ $= \$4,160,000$
		2 color Newsprint (\$150/pg) 6 per year	\$210,000	\$15,000	$\$210,000 \times 12$ $- \$15,000 \times 6$ $= \$2,430,000$
		Low cost copies (\$70/pg) 12 per year	\$138,000	\$7,000	$\$138,000 \times 12$ $- \$7,000 \times 12$ $= \$1,572,000$
		4 color glossy (\$400/pg) 4 per year	\$120,000	\$16,000	$\$120,000 \times 12$ $- \$16,000 \times 4$ $= \$1,376,000$
		2 color Newsprint (\$150/pg) 6 per year	\$60,000	\$6,000	$\$60,000 \times 12$ $- \$6,000 \times 6$ $= \$684,000$
		Low cost copies (\$70/pg) 12 per year	\$36,000	\$2,800	$\$36,000 \times 12$ $- \$2,800 \times 12$ $= \$398,400$
	Seasonal (40 pages)	4 color glossy (\$400/pg) 4 per year	\$24,00	\$6,400	$\$24,000 \times 12$ $- \$6,400 \times 4$ $= \$262,400$
		2 color Newsprint (\$150/pg) 6 per year	\$12,000	\$2,400	$\$12,000 \times 12$ $- \$2,400 \times 6$ $= \$129,600$
		Low cost copies (\$70/pg) 12 per year	\$9,000	\$1,120	$\$9,000 \times 12$ $- \$1,120 \times 12$ $= \$94,560$
	Sale items (16 pages)	4 color glossy (\$400/pg) 4 per year			
		2 color Newsprint (\$150/pg) 6 per year			
		Low cost copies (\$70/pg) 12 per year			