

Variabil Sales sheet

Worked example

Customer has requirement to 25,000 bw and 10,000 colour copies

Charge of 5p for bw and 10p for colour

Charge must include capital and service maximum for capital 70% of cost.

In this example of the bw 3p is for the capital and colour is 6p

Therefore capital for bw is (25,000*3p)= £750 and colour £600 combined rental £1,350+vat which equates to £20,777.00+vat using a notional rate of £65.00 per thousand.

Bw charge 5p * 25,000 = £1,250 colour 10p * 10,000 = £1,000

Copy document as below

Black Cost per Print 5p Toner Inclusive? Yes ___ No x

Colour Cost per Print 10p Toner Inclusive? Yes ___ No x

Quarterly Charge in advance (black prints) £1,250 (A)

No. of prints included in Quarterly Charge (black prints) 25,000

Quarterly Charge in Advance (colour prints) £1,000 (B)

No. of prints included in Quarterly Charge (colour prints) 10,000

Minimum Period of Hire Agreement (months) 60

Excess Print Charges

Colour 12p

Black 8p

**TOTAL CHARGE PER QUARTER (exclusive o
equals A+B**

£ £2,250

If customer does 1,000 extra b w copies it will raise an additional £80 (1,000*8p) and extra 1000 colour copies = £120 (1,000*12p)- This is pure profit!!!

If you increase both copy costs by 0.2 and use for the capital then this will generate £800 (3.2*25,000) bw and £620 (6.2*10,000) colour Total new capital £1,420 or a new invoice value of £21,850 (£1,420/£65 per thousand)...increase the volume and the sky's very nearly the limit!

General rules

Only for non regulated customers ie. Ltd companies, local authorities, partnerships with more than 3 partners or where deal size is greater than £25,000 (sum total of rentals including vat)

Maximum 110% of RRP of equipment

Payment by direct debit ...invoice purely by agreement and invoice charge of 4%

Cost to you is £10 plus vat per invoice... **in advance** ie. £120 on 3 year deal £200 on 5 years

The cost per copy charge must be made up of at least 30% service charge (unless specifically agreed otherwise)