

SIMPLE TARGET MARKET VALUATION WORKSHEET

Directions: This Simple Target Market Valuation worksheet will help you calculate the value of each of your different target markets. As the name implies, this is the simple formula which is not as accurate as a full blown, scientific assessment of each market. However, it is good enough for our estimation purposes. The goal here is to insure that a market is profitable enough for you to reach your personal goals. This will be especially important when calculating your Ultimate Target Market, and so you'll want to compare your estimated profits on this page, with your financial income goals (FIG) from your personal assessments.

Action Thoughts

STEP 1: What is the estimated size of Your Target Market?
please put the number of total possible clients in this market on Line A.
(if you need help calculating this number,
please refer to the Market Assessment Training)
Line A _____

STEP 2: To Estimated Actual Buyers In this Target Market x 40%
simply multiply the number of the total target market size times 40%. This is a proven ration that you can use to estimate what % of an average market, actually buys any given products or service. It's basically an educated guess, without having to spend thousands of dollars on more scientific market research.
Please put the result on Line B. Line B _____

STEP 3: What percentage of this market, do you expect to gain? This number must not be more than 50%, and probably should be less than 50%. The dominant player in virtually every market has consistently shown to gain no more than 50% of the market share. Please put this conservative % on Line C. Line C _____

STEP 4: To Estimate Your Total Market Share, please multiply Line B times Line C, and put the result on Line D. Line D _____

STEP 5: What % of this Target market do you expect to sell your products or services to, this year? (if this is a new venture, not more than 10%) Put your estimate percentage on Line E. Line E _____

STEP 6: To calculate the Total Number of clients, that you expect to sell this year, to this target market, multiply Line D times the percentage on Line E, and put the result on Line F. Line F _____

STEP 7: What is the Average, Estimate Profit, Per Client, per year. (specifically this year) This number can be calculated by taking your Average Sale, and subtracting your Average Cost of Sales, and then also subtracting the pro-rated per Client Share of your Overhead costs. Please put your estimated average annual profit per client, on Line G. Line G _____

STEP 8: To Calculate your Total Estimate Profit, from all clients, from this target market, for this year, Please multiply Line F times Line G, and this will equal your total estimated profit from the year. Please put this total on Line H. Line H _____

IMPORTANT NOTE: Be sure to compare this estimate profit with your financial income goal (FIG) from your personal assessments. This will give you a guideline verification to see if your in the right ballpark. Also note, you may be getting income from several markets. If so, you can total them together and compare with your FIG.