

# Calculating Your Funnel Math

Before you spend a single cent on traffic, you need to know what's required to be profitable, and that means you need to do your "maths." Use this sheet to lay out the specifics of your funnel and figure out at what numbers your funnel becomes profitable.

**\*\*NOTE:** If you're depending on purchase conversion rates above 3%...you may want to work on your funnel before running traffic to it.

## Funnel Details:



### Product Price



### Conversion Rate



# Time To Work Out The Math...


Now that you've laid out your funnel clearly, it's time to add traffic costs to the funnel to see what cost-per-click (CPCs) you can afford to break even.

The days of \$.10 clicks are gone so this exercise will help you understand the thresholds you can expect and the numbers you need to be working towards to make things work.

For ease of use, start with \$0.50 clicks and adjust to figure out at what point your funnel becomes breakeven based on your current conversion rate & pricing metrics.

**\*\*NOTE:** If your funnel is unable to break even at any reasonable CPC(>\$0.50), you'll want to work on increasing your conversion rates, prices, and/or number of offerings.

Test Budget = \_\_\_\_\_

	Parameter	Equations	\$0.50 CPC	\$1 CPC	\$2 CPC
	Clicks	<b>Test Budget/CPC</b> $\$1,000 / \$0.50 = 2,000 \text{ Clicks}$			
<b>1</b>	Front End Sales <small>Volume &amp; Dollars</small>	<b>Volume 1 = Clicks * CVR 1*</b> $2,000 \text{ Clicks} * 3\% = 60 \text{ Sales}$ <b>Revenue 1 = Volume * Price 1**</b> $60 \text{ Sales} * \$20 = \$120$	<b>Volume 1</b>  <b>Revenue 1</b>		
<b>2</b>	Main Offer Sales <small>Volume &amp; Dollars</small>	<b>Volume 2 = Volume 1 * CVR 2*</b> $60 \text{ Sales} * 20\% = 12 \text{ Sales}$ <b>Revenue 2 = Volume 2 * Price 2**</b> $12 \text{ Sales} * \$100 = \$1,200$	<b>Volume 2</b>  <b>Revenue 2</b>		
<b>3</b>	Upsell Offer Sales <small>Volume &amp; Dollars</small>	<b>Volume 3 = Volume 2 * CVR 3*</b> $12 \text{ sales} * 20\% = 2 \text{ Sales}$ <b>Revenue 3 = Volume 3 * Price 3**</b> $2 \text{ Sales} * \$297 = \$594$	<b>Volume 3</b>  <b>Revenue 3</b>		
<b>4</b>	Other Offer #1 <small>Volume &amp; Dollars</small>	<b>Volume 4 = Volume 3 * CVR 4*</b> $2 \text{ sales} * 50\% = 1 \text{ Sales}$ <b>Revenue 4 = Volume 4 * Price 4**</b> $1 \text{ Sales} * \$999 = \$999$	<b>Volume 4</b>  <b>Revenue 4</b>		
<b>5</b>	Other Offer #2 <small>Volume &amp; Dollars</small>	<b>Volume 5 = Volume 4 * CVR 5*</b> $0 \text{ sales} * 20\% = 0 \text{ Sales}$ <b>Revenue 5 = Volume 5 * Price 5**</b> $0 \text{ Sales} * \$2,997 = \$0$	<b>Volume 5</b>  <b>Revenue 5</b>		
<b>R</b>	Total Revenue	<b>Revenue 1 + Revenue 2 + Revenue 3 + Revenue 4 + Revenue 5</b>			
<b>P</b>	Profit/Loss	<b>Total Revenue - Test Budget</b>			