



SMARTmodel – financial planning for publications

Fall 2011 Update

Dear Client:

Over the past year we have made many system changes and enhancements to the Ladd **SMARTmodel** system. The latest version of **SMARTmodel (8.2)** is now available for client use. The following system changes and enhancements are featured:

- The Model Initialization Module has been updated to more fully automate loading adjusted inventory expires (including Open Credit Expires), renewal and new business source assumptions to **SMARTmodel**.
- The Monthly Production Feed has been updated. Now you can not only automate updating subscription marketing production, use actual price/term mixes and apply newly actualized assumptions to continue in future periods, but also actualize your renewal starts and paid orders.

- Also, the new automated data feed now supports multiple editorial “products” such as print and digital editions. This addition allows you to more easily model Print vs. Digital subscribers.
- Feed audit ... the feed process has added a series of "checks and balances" to make sure the feeds are loaded in the proper order and that all necessary settings are appropriately set. Whenever unexpected settings are encountered, users are prompted to take appropriate action.
- Feed Log ... All initialization and monthly production feeds are now logged and can be reported / printed.
- Accounting for Agency Commission now can be handled three ways:
 - Net method – Revenue and income reports will display only the net revenue and income. No reporting of Commissions will be made
 - Gross method - Revenue and income reports will display the gross (full price) revenue and income. Commissions will be calculated based on the source's expense assumptions, and reported based on the field departmental assignments.
 - Contra revenue method - Revenue and income reports will display the gross (full price) revenue and income. Commissions can be shown as a contra revenue account.
- A new "Unidentified Renewals & RABs" dialog has been added to the Inventory Maintenance screen that allows you to reduce expire pools to account for Unidentified Renewals and RABs.
- A “Chinese Wall” has been added to the system. **SMARTmodel** now allows you to combine Circulation Results from one project with Financial Assumptions from a separate project. This allows you "departmentalize" model work, allowing the circulation group to build their circ model, then allow the financial / accounting group to independently incorporate their corporate financial assumptions to build a complete model of the business. In the past, these two functions needed to occur in the same project. Now, they can be part of separate projects, preventing the circulation group from seeing and / or changing financial assumptions as well as preventing the Financial group from seeing and / or changing circulation assumptions.
- A new Sub Bad Debt calculation method has been added ... you can now show bad debt expense as copies are served. See Exhibit A for a review of the four ways subscription income can be calculated in **SMARTmodel**.
- The **SMARTmodel** Inventory Feed now supports inventory expires in two ways:
 - a. “Due for renewal” - Expire is shown in the issue **after** the last copy of the subscription is served.
 - b. “Last Issue Served” – Expire is shown in the issue **that** the last copy of the subscription is served.

Expire Type	Issue 0	Issue 1	Issue 2	Issue 3
Due for Renewal		455	1000	765
Last Issue served	455	1000	765	

- The following is a list of other changes / fixes ...
 1. The size of the calculated Universe column has been increased to allow for universes > 10 Million.
 2. On/Off report now supports SubCategory subtotaling.
 3. Project Name / Plan Name have been added to the Project Comparison report.
 4. Non-fixed term subs can now be renewed.
 5. URRs no longer require source inventory expires.
 6. Agency Inventory Expenses are now adjusted down based on Inventory Payup rates.
 7. Agency Deferred Expense field is now valid in all circulation reports.
 8. When modeling Agency business on a “Net” basis, direct feeds correctly adjust Agency pricing and zero out commission %.
 9. Advanced Renewal calculated Universe is now viewable in all circulation reports.
 10. Reducing the Plan Length with assumptions in deleted years no longer causes an error.
 11. Applying Inventory Payup when served BadPay issues extend beyond the end of the model no longer causes an error.
 12. List size calculations have been adjusted for non-monthlies.
 13. On/Off report now correctly excludes sources not included in the Circulation Plan.
 14. Missing Ad Assumptions no longer causes an error in the Circ Summary Report.
 15. Financial report export now handles reported years that are not calculated in the Financial Plan.
 16. In the Plan Comparison Report (in plans 2+), reporting Agent commissions as a contra-revenue account no longer overwrites source revenue.
 17. The Project Director Assumption report now shows the Issue Load Descriptions.
 18. The Cashflow 100% warnings now include the actual %.
 19. The functionality that allows you to “Paste” a series of assumptions copied from a Spreadsheet has been enhanced.

For more information about downloading the latest version and implementing Version 8.2 please contact Jim Jankowski at jjankowski@laddassociates.com or 603-448-0448.