



## What Is Covered by Study Groups Charges

**Quarterly Consulting Fees:** Currently \$1650 per quarter, these fees cover the monthly cost of data input, analysis, report preparation, individual firm graphs, and mailing, and a return to Finance & Resource Management Consultants for its time, expertise, and investment in establishing and maintaining study groups and the study groups web site. Included in the membership fees is full access to financial reports and graphs, which allows firms to benchmark their performance over time against firms nationally, in their region, and (where the data population is sufficient) in their state. Firms that are already CSX subscribers or members or a second study group will have their study group charges reduced to reflect the base cost of their CSX subscription.

**General Meeting Expenses:** These expenses cover all fixed costs associated with a study group meeting. These costs include the cost of a meeting facilitator, facilitator travel and lodging, A/V rental, meeting room rental, bus or other transportation rental, and the cost of contracting outside guest speakers. Travel expenses for accompanying spouses and/or children of the facilitators are their individual responsibilities and are not included as part of general meeting expenses. In accordance with the bylaws, general meeting expenses are the responsibility of each member firm, and are divided equally based on the number of firms in a study group, whether or not that firm had a representative at the meeting. Most hotels are requiring that contracts be signed with cancellation and attrition clauses in them. If a meeting is canceled or if the number of rooms used is significantly below (usually under 80% to 90%) the guarantee amount, the group could be responsible for any charges levied by the hotel and these would also be part of general meeting expenses.

**Group Meal and Entertainment Expenses:** These costs are divided in accordance with the number of persons attending a meal or entertainment function. The total cost of food, beverages, tax, and tip is tallied for each of the major meal functions and then divided by the number of persons attending. Minor events such as continental breakfasts, refreshment breaks, and lunches are combined into a single total and divided by the number of persons attending the meeting itself. Most resorts and hotels

require a minimum 72 hour notice for a meal guarantee. We try to hit the guarantee close and usually go for the low side if there is any uncertainty about numbers, as the group is billed for the minimum guarantee amount or the actual headcount, whichever is greater. If we are not notified at least 96 hours in advance of a reduction in the number of persons in a member's party, the member may be required to pay for any meals the hotel bills us for; however, we try to avoid this wherever possible. Facilitator and spouse/family meal charges have historically been paid for by the group. Additionally, if a meeting is held at a study group member location and support people from the firm help with the meeting (i.e. van driver), those charges are divided among all firms and are not levied back only to the hosting firm.

**One-Time Meeting Advance Deposit:** A one-time deposit of \$1650 is charged on a member's initial invoice. The advance deposit helps us fund meeting cost cash outlays often made many months before the actual meeting occurs (sometimes a year in advance) and well before we collect. When a member withdraws from a group, this one-time advance is credited back on the final invoice.

**Reports and Graphs:** Study Group reports allow you to benchmark your company at both the corporate and retail levels against a broad national sample of firms as well as a sample of firms in your region and (where the data population allows) against firms in your state. Graphs allow you to graph any line item of any corporate or retail report for your firm over time or for your firm compared to broader averages. Reports and graphs are included in your base study group fee, or if your firm already had a CSX subscription prior to joining Study Groups, your quarterly Study Group consulting fees are reduced as long as you maintain your CSX subscription.

**Special Studies:** Occasionally the group may request that special studies be conducted to analyze such things as truck costs, insurance costs, employee satisfaction, or employee compensation and benefits. The cost of these special studies is an additional amount, and the cost is generally agreed to before the work is undertaken. Cost sharing can be per firm or per unit (number of survey forms returned, number of stores included, etc.) or both, depending on what is equitable.

**Individual Firm Consulting:** This service is not included as part of the study group fee structure, and arrangements should be made separately for requests of this nature. Answers to questions involving the submission or interpretation of data supplied or received as part of the study group are included as part of the quarterly fee structure and should be directed to David Nelson, Jed Brewer, Ben Scellick or your facilitator. In attempt to keep overall study group membership fees there is a separate hourly fee for individualized professional services in excess of five hours per quarter per firm. These are individualized professional services that go above and beyond the normal

course of our business. Firm-requested detailed data mapping is an example. Traditionally less than 25% of firms have used individualized professional services (primarily for data mapping) and less than 5% of firms have used these services at a level that would result in a fee being charged.

**Meeting Location Arrangements:** It is the responsibility of the study group to decide on the dates, locations, and topics for study group meetings. Hotel bookings for a meeting can be handled directly by the study group through the president or the designated local host or turned over to Finance & Resource Management Consultants or a travel agent. Where Finance & Resource Management Consultants or a travel agent is involved, a commission may be earned on the room portion of the booking for the services rendered.

**Total Charges to Budget:** A firm with one representative attending should budget approximately \$12,000 per year for study group participation.