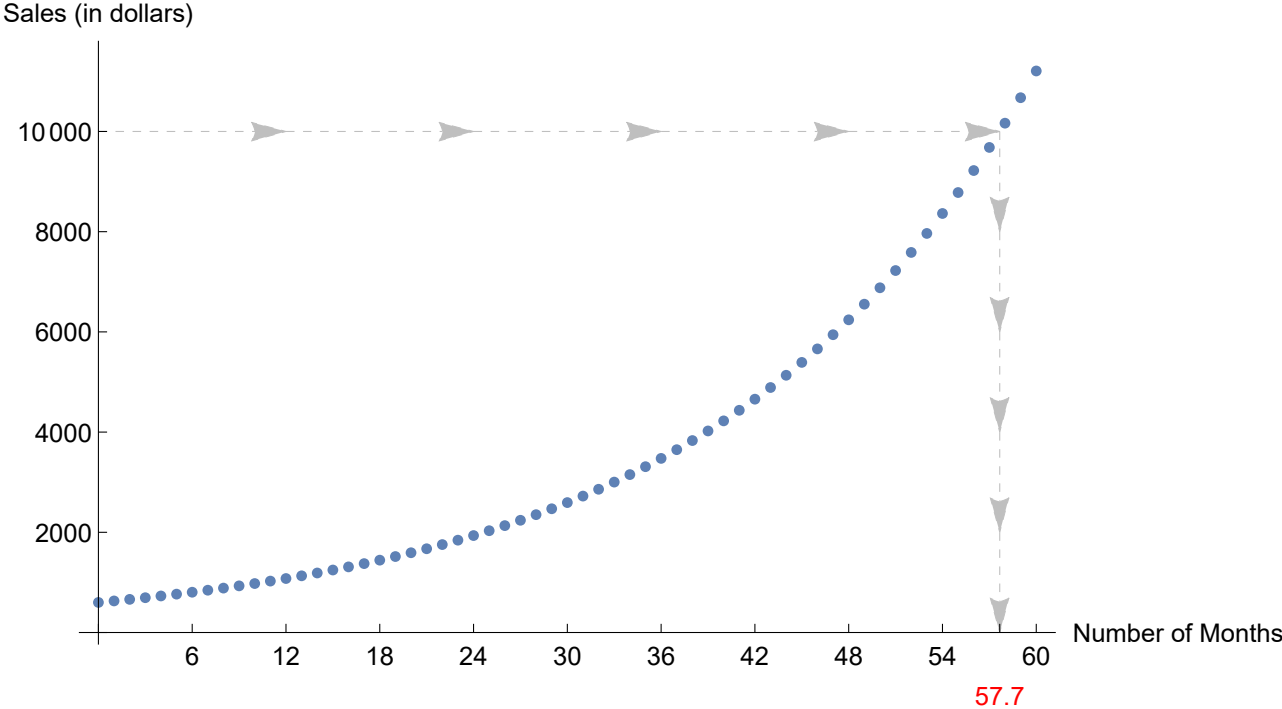
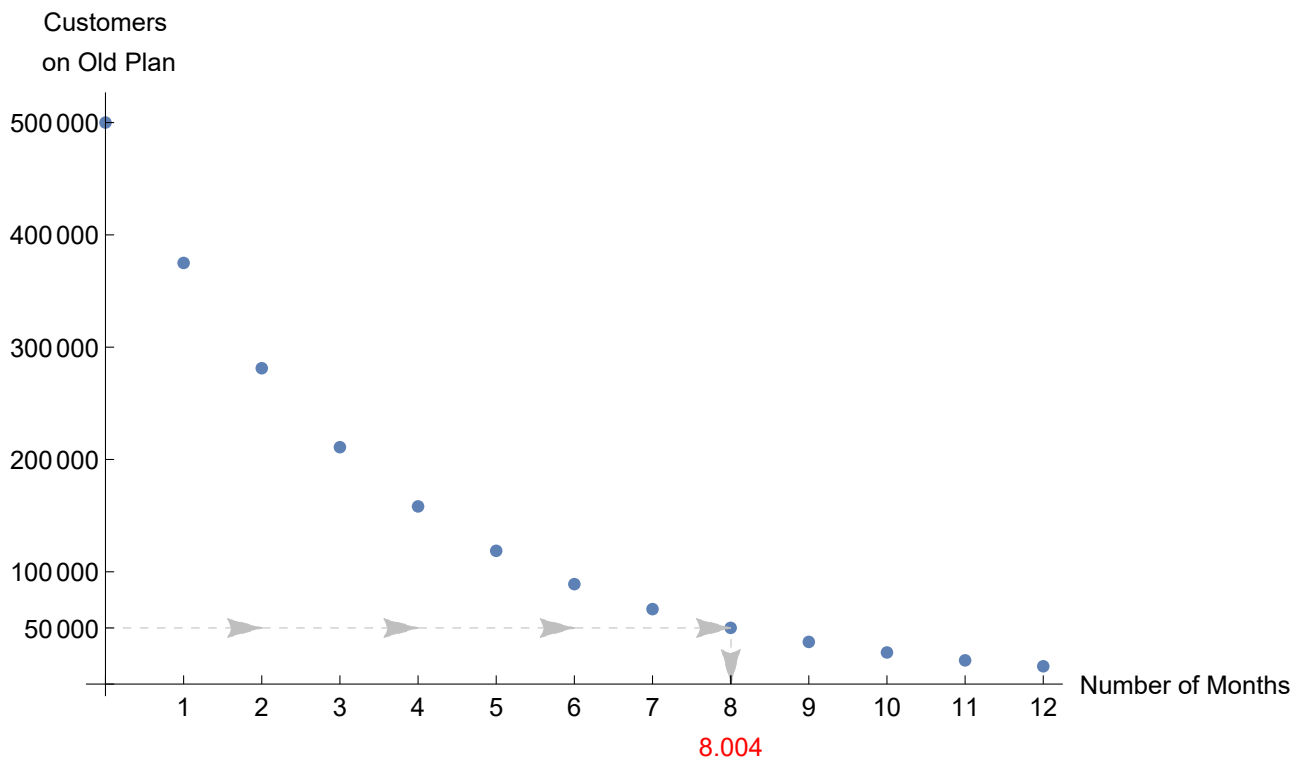


Section 3-3: Examples

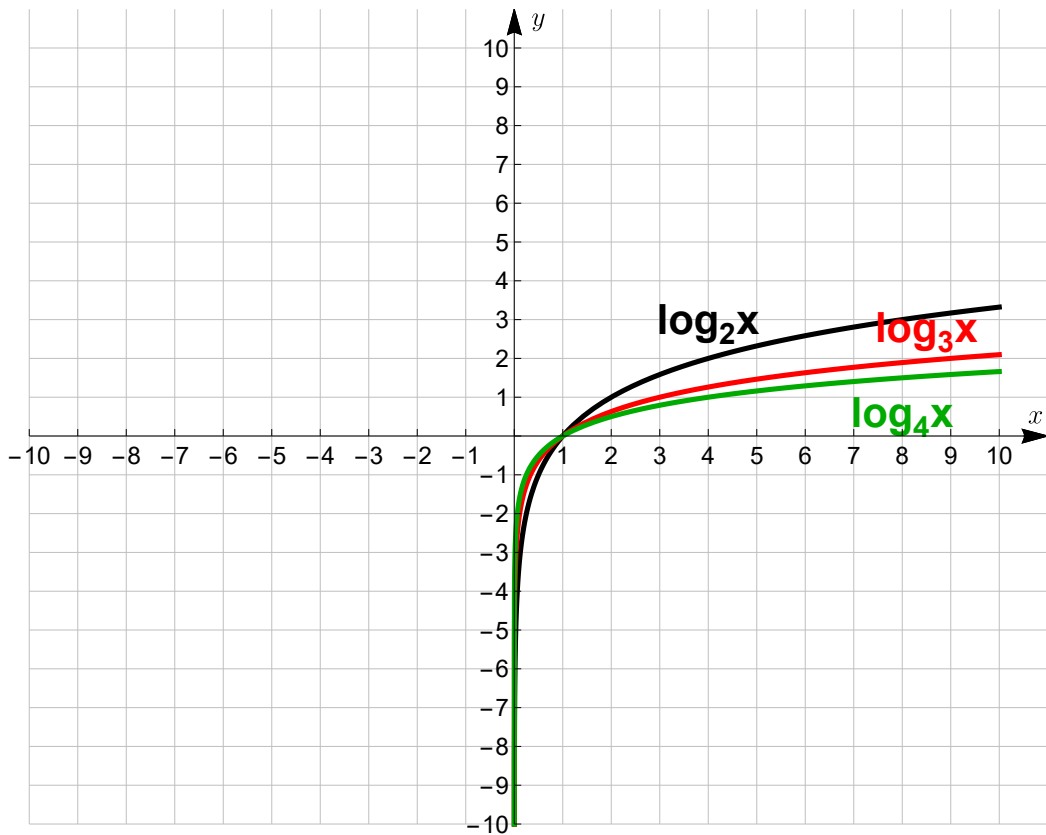
Example: Suppose you decide to start your own small business. You need to cover the cost of rent, supplies, employees, as well as make enough money to support your family. You estimate you'll need at least \$10,000 in sales each month. You expect it will take 5 years to hit your needed monthly sales. During your first month in business, your sales total \$600. If you set a goal of increasing your month over month sales by 5%, how long will it take you to reach \$10,000 per month in sales? Will you make at least \$10,000 in sales each month by your 5th year in business?



Example: Suppose, you decide to introduce a new pricing plan for services offered by your company. The 500,000 customers you currently have will be grandfathered into the old plan, although you expect (and hope) many will switch to the new plan. In fact, you anticipate that each month, 25% of the customers still on the old plan will move to the new plan. Within six months, you'd like to have less than 10% of your current customer base still on the old plan (less than 50,000 customers). Based on the rate at which you anticipate customers switching each month, how long will it take until only 10% of your current customer base is still on the old plan? Will you achieve your goal?



Logarithmic "Growth"



Logarithmic "Decay"

