# Follow Along Formulas

$$\text{Break Even} = \frac{\text{Acquisition}}{\text{Monthly Margin}}$$

$$\text{Monthly Margin for No Hidden Costs (Decrease by 21\%)} = \frac{\text{Monthly Margin}}{1.21}$$

$$\text{Lifetime Value} = \frac{\text{Margin per Year}}{\text{(Churn Rate + Interest Rate)}} - \text{Acquisition Cost}$$

$$\text{Price per Minute needed to Break Even} = \frac{\text{Virgin's Acquisition Costs}}{\text{Industry Break Even * (Revenue – Cost to Serve)}}$$